

The NATIONAL UNDERWRITER

33rd Year, No. 32

—The National Weekly Newspaper of Life Insurance—

August 8, 1959

N. Y. Issues Tough Rules On High Cash Values; Deadline Is Nov. 1

NEW YORK—The long-awaited final version of regulation No. 39, which puts tough restrictions on the issuance of high early cash value policies used in the sale of minimum deposit plans, has been issued by the New York department. The regulation becomes effective Nov. 1.

The regulation outlaws high early cash value policies that result from a departure from a company's regular pattern of computation of cash values on essentially similar plans. It requires buyers to be informed of the increasing cost due to loan increases and interest thereon. It makes management responsible for seeing that "permanent commissions are not paid on what is essentially term insurance" in minimum deposit plans. To implement the latter point, the regulation permits only the buyer's cash outlay (gross premium less policy loan) to be used in figuring the company's expense margin under section 213. Technically, the squeeze on section 213's expense margins is the only extraterritorial application of the new rules but as a practical matter it is believed unlikely that any company subject to New York law would make available outside the state any policy,

plan or procedure forbidden within the state.

Here are the department's reasons for adopting the new rules, followed by the full text of the rules themselves.

Preamble: In recent years an increasing number of life insurance companies have issued insurance policies which provide high early cash and loan values for the principal purpose of facilitating their sale on the so-called "minimum deposit plan." Such policies differ from those issued on otherwise essentially similar plans of insurance in that they:

1. Provide for high early cash values which, in some cases, are equivalent to the full net level premium reserve as early as the end of the first policy year. (Under policies issued on otherwise essentially similar plans, cash values may not equal the full reserve

until eight or 10 years after issue.)

2. Make available policy loans which may be used at the inception of the policy to pay a substantial part of the first year's premium—thus reducing the policyholder's cash outlay (under policies issued on otherwise essentially similar plans, policy loans are generally not available until the end of the second or third policy year.

Fifth Dividend Option

3. Often give a "fifth dividend option" which provides that dividends be left at interest and the accumulated amounts used to purchase one-year term insurance to insure the policy loan in whole or in part depending upon the amount of dividend available for that purpose. Such an option is not generally available under other types of policies. (Instead of insuring the policy loan by means of

(CONTINUED ON PAGE 17)

NALC Seeks Changes In Income Tax Law, Entry Of Small Companies To Army Bases

National Assn. of Life Companies, at the closing session of its annual convention in Chattanooga, adopted resolutions reaffirming the association's stand in favor of an investment income approach to federal income taxation of life companies, urging in the meantime that five amendments be made to the recently adopted tax bill.

NALC also adopted resolutions directing its executive committee to seek

tions on a competitive basis, and urging National Assn. of Insurance Commissioners to approach problems of variable annuity contracts carefully, but to permit reasonable experimentation in this field.

Amendments to the federal tax bill demanded by NALC are:

- Elimination of Part 3.
- Provisions for a minimum of 2% deduction as A&S to restore the competitive position of life companies.
- The restoration of full tax exemptions for tax-exempts and the restoration for full allowances for intercorporate dividends.
- An increase of small companies' deduction of \$25,000 and an acceleration of the percentage by which that maximum is reached.

- Provision for the taxation at full corporate rates of any portion of income.

(CONTINUED ON PAGE 23)

Pictures of the personalities attending the NALC meeting accompanying this story were taken by Guy Ferguson of Ferguson Personnel, Chicago. All identifications read from left to right. Pictures begin on Page 23.

action on obtaining admission of small-life companies to military installa-

Orebaugh Resigns As Ia. Chief Deputy

Samuel E. Orebaugh has resigned as chief deputy of the Iowa department to become general manager of Investors Life, a new Iowa insurer.

Mr. Orebaugh has served under four Iowa commissioners as chief deputy. He will be replaced by William Sheehan, at present chief examiner.

John Hancock Reports On 1st Half

John Hancock total paid-for life sales for the first six months were about the same as in the first half of 1958, amounting to slightly more than \$1½ billion in both periods. Monthly debit ordinary sales totaled \$401 million, a gain of \$116 million. Weekly premium sales were \$110 million, only slightly less than sales for the first six months of 1958. Group sales for the first half of 1959 were \$341 million, an increase of almost 50%.

Seek Answers On Unclear Points In N. Y. Regulation 39

Minimum Deposit Curbs Found Ambiguous By Some Interested Insurers

By ROBERT B. MITCHELL

NEW YORK—The New York department's regulation No. 39, which puts hobbles on the high early cash value policies that are used for minimum deposit and split dollar sales, is causing considerable brow-furrowing among companies affected by it—they're not just the companies that have been issuing the high value contracts, either. The regulation and the department's explanation of the reason for it are printed elsewhere in this issue.

In spite of the weeks that were spent on drafting the regulation, there are some key points in it about which executives in companies affected are asking themselves and each other, "what do they mean?"

Effect On 'Specials' Pondered

Of widest interest is the regulation's effect on the sale of "special" policies that give the policyholder the full reserve as cash or loan value earlier than on the general run of policies. For example, some companies in their specials, which have a \$15,000 minimum face amount, give the full reserve four years earlier than in non-special policies. Department representatives indicated at the public hearing last spring that these policies would not be affected, but the regulation makes no exceptions. It states that "where by departure from its regular pattern of cash values, a company provides more favorable early cash and loan values on certain policies than on other essentially similar policies, the granting of such values is

(CONTINUED ON PAGE 26)

Albert Adams Blasts Reuther Testimony On Forand Measure

WASHINGTON—Albert C. Adams, John Hancock, Philadelphia, speaking for NALU, has accused Walter P. Reuther, president of United Auto Workers, of having "contradictory and badly muddled" economic theories. The charge was made by Mr. Adams, who is also immediate past president of NALU and chairman of its social security



Albert C. Adams

committee, in an open letter that commented on Mr. Reuther's recent testimony before the House ways and means committee in support of the Forand bill.

Mr. Adams reminded the labor leader that the latter has repeatedly stressed the need for "mobilizing the abundance" of the nation to bring about a better way of life for all its people. Yet, at the same time, Mr. Reuther has in effect advocated the destruction of the private life insurance business, which, Mr. Adams said, is "one of the greatest mobilizers of abundance ever conceived by free men."

Using Mr. Reuther's own testimony before the Senate finance committee in

(CONTINUED ON PAGE 26)



Life Convention, Institute of Life Insurance and Life Insurance Assn. as part of Equitable's 100th anniversary celebration. Many of Equitable Society's founders were recruited from Dr. Bonnell's church.

James F. Oates Jr., president of Equitable Society, center, greets Ivy Baker Priest, treasurer of the U. S., and Dr. John Southerland Bonnell, minister of the Fifth Avenue Presbyterian Church, at Madison Square Garden, where Mrs. Priest and Dr. Bonnell spoke at a forum on "The Economic and Social Contributions of Life Insurance to the Nation," which was sponsored by American

Conn. Commissioner Seeking Changes In Group Definitions

Commissioner Premo of Connecticut has written to all Connecticut life companies stating his intention to make changes in regulations governing group life definitions. The commissioner has asked for recommendations on the subject to be submitted to him by Sept. 1.

Commissioner Premo said he is working on possible changes in the following areas:

—The changing of regulations to conform with NAIC's model group life insurance definition and group life insurance standard provisions adopted on June 1, 1956.

—Extending the definition to permit issuance of group life to cover individual members of an association, and what restrictions should be placed on the type of association for which this is permitted or on its membership.

Group Creditors' Policies

—Promulgation of special regulations for A&S coverage under group creditors' policies.

—Permitting group life coverage in connection with savings projects and revocable purchase commitments which extend over a period of years.

—Permitting issuance of group life to cover savings bank depositors on the so-called "double-dollar" plan.

—Allowing issuance of a group policy to an employer to exclude classes of employees determined by age.

NAIC Zone IV Meeting Set For French Lick

Zone IV of the National Assn. of Insurance Commissioners will meet in French Lick, Ind., Oct. 1-2. The meeting will be under the direction of North Dakota Commissioner Jensen, zone chairman, while arrangements will be handled by Indiana Commissioner Palmer.

Zone IV includes the states of Indiana, Illinois, Wisconsin, Minnesota, North Dakota, South Dakota, Iowa, and Michigan. Attendance of commissioners, their staffs, and industry representatives is expected to run approximately 300 according to Mr. Palmer.

Ben H. Carpenter Elected Chairman Of Southland Life

Ben H. Carpenter, 35, has been elected chairman of Southland Life, succeeding his father, the late John W. Carpenter, who died in June.



Ben H. Carpenter

Mr. Carpenter will continue as chairman of the executive committee, a position he has held since 1952. He has been a director since 1950 and became executive vice-president in 1952. He is president of Trinity River Authority of Texas, vice-president of Trinity Improvement Assn., and heads the Crockett Co., National Real Estate Development Corp., Trinity Valley Cattle Co., and Beefex Cattle Co.

Lines Drawn For Fight To Control Lutheran Fraternal

MINNEAPOLIS—A fight for control of Lutheran Brotherhood which has been developing for several months has broken into the open and will come to a head at the fraternal's quadrennial convention here in October. The Lutheran fraternal has more than \$1 billion of insurance in force.

The administration group headed by President Carl F. Granrud is opposed by a faction headed by Russell H. Matthias of Chicago, vice-president, general counsel and a director. At a meeting July 30, the administration lost a skirmish when they attempted to rescind action at a meeting last April which elected an anti-administration slate of delegates to the October convention.

Administration Elects Own Slate

The Granrud group then elected its own slate of 137 delegates. The result is that two slates of delegates will seek credentials for the convention and court action may be necessary to decide which group is entitled to seats.

James A. Pierce, director of the John Hancock bureau of publications, center, accepts on behalf of the company one of two awards from the Freedoms Foundation of Valley Forge in presentation ceremonies at Boston's Station WBZ-TV. Mr. Pierce receives congratulations from Richard H. Foltz, vice-president of the foundation, and Betty Adams, mistress of ceremonies on the station's "Today at Home" show. The awards—the George Washington medal for Mr. Pierce's editing of the Hancock News Weekly and the distinguished service award to John Hancock for its great leaders advertising series—are made in recognition of the company's contribution to a better understanding of the American way of life.



Dorfman Seeks Mich. License, May Lose One In Ky.

Allen M. Dorfman, Chicago, who currently is facing charges of irregular practices in Michigan, has been notified by Commissioner Thurman of Kentucky that a hearing will be held Aug. 14 to determine whether or not his non-resident agent's license shall be suspended or revoked. Commissioner Thurman issued the citation after receiving two volumes of testimony before the Senate labor rackets investigating committee from committee counsel Robert F. Kennedy. The testimony linked Dorfman to insurance dealings of James R. Hoffa and the Teamsters Union.

Dorfman In Denial

In Lansing, a third session of the protracted hearing before Commissioner Blackford brought a denial by Dorfman that he had assumed premium costs on a \$50,000 life certificate issued to Teamster President Hoffa. He said he paid premiums for Hoffa and Frank E. Fitzsimmons, Detroit teamsters official, and Fitzsimmons' son Gary, but he contended that the payments were loans which were reimbursed. He said he could not recall, however, the dates or method of repayment. He testified it was common practice to advance premium payments for clients, collecting later.

Dorfman, who has handled some \$20 million group coverage for the Teamsters Union annually, is seeking restoration of his now expired non-resident agent's license in Michigan, contending that none of the charges aired by department witnesses is sufficient ground for withholding his authorization. The state's argument is that the carrying of the premium sums in question as accounts receivable for more than one year produces a prima facie case of rebating under the Michigan statute.

Ask Charge Dismissal

Dorfman's attorney, Stanford Clinton, answered at the hearing that the continued carrying of the accounts as receivables nullified any charge of rebate and he asked dismissal of this charge. Commissioner Blackford indicated he would rule on the motion when the hearing reconvenes next month. The hearing has been recessed until Sept. 1.

In addition to rebating, Dorfman is charged with not being licensed in his home state of Illinois for the company which he purported to represent in Michigan, and with putting to personal use over an extended period some \$51,000 in layoff premiums paid through an electrical workers' union in Chicago.

A Clerical Error

In answer to the first charge, Dorfman's counsel has stated that it derived merely from a clerical error and, in defending the second, maintained that Northeastern Life of New York, whose premiums were allegedly withheld and misused, owed Dorfman more in commissions than he owed the insurer—which was substantiated by Northeastern's comptroller.

Dorfman, it was brought out, operates 14 agencies in 12 states, including Dover and Union agencies of Chicago which had been licensed in Michigan as non-resident writers.

J. C. Higdon Of B. M. A. Nominated For ALC President;

J. C. Higdon, president of Business Men's Assurance, is the choice of the nominating committee for president of American Life Convention. He will be in line to succeed Rolland E. Irish, president of Union Mutual, at the annual meeting, Oct. 12-16, at Chicago.

Five company presidents have been nominated for three-year terms on the executive committee. They are Richard B. Evans, Colonial Life; Leeland J. Kalmbach, Massachusetts Mutual; Horace W. Brower, Occidental Life of California; Charles A. Taylor, Life of Virginia, and Travis T. Walling, Great American Reserve. Mr. Evans and Mr. Kalmbach were nominated for their second terms, Mr. Brower and Mr. Taylor for their first terms, and Mr. Wallace to fill out the unexpired two years of Mr. Higdon's term.

Weitz Leaves LIAMA, To Join Management Consultant Company

Joseph Weitz, former associate director of research of LIAMA, is leaving the association to become director of research for Richardson, Bellows, Henry & Co., management consultants and research service to business industry and government.

Mr. Weitz was for two years assistant professor of psychology of Tulane University and associate professor of psychology at Carnegie Tech. He joined LIAMA in 1951, where he specialized in selection and training of sales personnel and employee attitude research.

No. American Accident Rings Up 70% Increase

North American Accident of Chicago recorded a 70% increase in individual life sales (excluding group and term) in the first half of 1959 over the same period for 1958. Life in force on June 30, including group and term, was \$454,600,000.

Oklahoma Agents Elect Pinkerton President

Joseph M. Pinkerton, Prudential Oklahoma City, was elected president of Oklahoma Assn. of Life Underwriters at the annual convention of Oklahoma City. Other officers are Bessie S. Bennett, Tulsa; Dean Callahan, Muskogee; Donald V. Rollins, Stillwater, vice presidents, and Joseph Deaton, Oklahoma City, secretary. Treasurer, Charles S. Caldwell, Oklahoma City, was named national committeeman.



Joseph M. Pinkerton



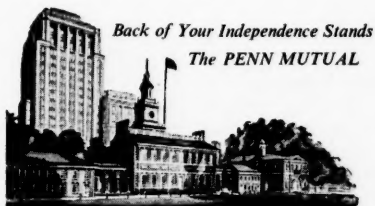
Getting ahead?

When you are a Penn Mutual underwriter, intensive training and educational programs, designed to equip you for *all* phases of successful selling . . . help you over the hurdles which face every man interested in moving ahead.

At The Penn Mutual there are many ways of getting ahead, because we sincerely believe that *Penn Mutual opportunities should go to Penn Mutual men.*

Whether you choose to stay in direct selling, or decide to go into sales supervisory, management and General Agency work, you will have plentiful opportunities to try your skills in actual positions of responsibility.

We realize that the man who wants to get ahead is a "man with a future" . . . his future is the future of this company, and his success is our success.



★ ★ ★

THE PENN MUTUAL LIFE INSURANCE COMPANY

INDEPENDENCE SQUARE, PHILADELPHIA

One In 20 Ordinary Policies Issued In '58 Was Extra-Risk

Approximately 400,000 new extra-risk ordinary life policies with coverage totalling \$3.2 billion were purchased in the United States in 1958, according to Institute of Life Insurance. About every 20th ordinary policy bought last year was on an extra-risk basis.

At the start of 1959, nearly 5 million extra-risk policies were in force providing coverage amounting to \$17,640,000,000 on persons not qualifying for coverage at standard rates, usually because of health impairments or occupational hazards.

Not Many Turned Down

The institute said that, based on a representative sampling of the extra-risk policies issued, more than one-fourth of these policies insured persons in hazardous employment. Only about one out of every 7,000 applications for ordinary life coverage is now declined for occupational reasons, the institute added.

Persons with heart and circulatory ailments accounted for more than one-fifth of the extra-risk policies issued in 1958. Another one-fifth were issued on persons who were either overweight or underweight, with overweight persons in the majority.

About one-third of extra-risk policies issued in 1958 were for such reasons as a wide range of minor physical impairments, personal or family medical history of some ailment, or because of environment or social habits.

Travelers Advances Kramer To PR Head

Travelers has advanced Herbert J. Kramer from assistant manager to director of the public information and advertising department. He succeeds Harry Barsantee, resigned.

Mr. Kramer joined Travelers in the public information and advertising department in 1951 after some years as an account executive with a Hartford advertising agency. His previous experience also includes four years of teaching at Harvard and the University of California. He is chairman of the educational committee of Life Insurance Advertisers Assn. and a member of the Connecticut county and state bar associations.

Nine Mutual Benefit Leaders Get Awards For 1958 Production

Nine Mutual Benefit Life agents have received awards for 1958 production at regional meetings during June and July. Presentations were made by Charles G. Heitzberg, vice-president in charge of agencies, at banquets taking place the first evening of the meetings.

Hubert F. Deagan, Akron, was presented with an award for being 1958 lives leader at the west central meeting, at the French Lick-Sheraton, French Lick, Ind. Mr. Deagan's total was more than \$750,000 on 171 lives.

Honored At Southern Regional

Zerline Williams, Charleston, S. C., was honored at the southern regional at the Grand Hotel, Point Clear, Ala. She received the award as leading woman agent in earnings.

Bruce I. Gheen, Cleveland, and Seymour C. Block, New York, were awarded plaques as leaders in volume and earnings, respectively. Mr. Gheen's award was presented at the west central regional and Mr. Block's at the northern regional at the Sagamore Hotel, Lake George, N. Y.

Wins Two Awards

Gary A. Albrecht, Detroit, received two awards, one as leader in lives and the other as volume leader among first year agents. The presentation was made at the west central regional.

Other awards went to Jerald D. O'Koon, Columbus, as earnings leader among first year agents and Donald L. Jandernoa, Grand Rapids, as leader in lives among second year agents. Both awards were presented at the west central regional.

Lawrence Gould and David Woo, both of the Rosenbaum agency at New York, received awards at the northern regional for volume leader and earnings leader, respectively, among second year agents.

Occidental Of Cal. Has 27% Gain In Six Months

Individual sales the first six months by Occidental Life of California totaled \$713,219,870, an increase of \$153,444,478, or 27%. Sales for the first six months exceeded the production for the entire year of 1953.

June set an all-time record with \$131,569,701 in individual sales. The best previous month was April with \$127 million.

A&S sales gained with a number of individual applications in the first six months up 19% over the same period of 1958. Group A&S was up 19%, but group life and wholesale was down 13% although this compares with an industry average of a 36% reduction.

Ind. Agents Set Three Schools

Three leadership training schools have been scheduled by the Indiana State Assn. of Life Underwriters for early September. The first school will be at South Bend on Sept. 8, the second at Lafayette on Sept. 9, and the third at Indianapolis, Sept. 10.

Name State Chairmen For NALU Headquarters Fund-Raising Campaign

NALU's campaign to raise funds for its new headquarters building in Washington has picked up momentum with the appointment of fund-raising committee chairmen by 30 state associations. NALU said it expects the remaining state associations to report their chairmen to the national association by Aug. 15.

State chairmen will work under the direction of area chairmen and the national fund-raising committee, headed by John C. Donohue, Penn. Mutual, Baltimore. Each local association will have its own fund-raising committee, which will begin its campaign at the first association meeting following the "kick-off" of the national drive at the Sept. 20-25 NALU annual convention in Philadelphia.

Area and state chairmen announced to date are:

Area I—P. R. Green, Aetna Life, Seattle, chairman; Russel Gootee, West Coast Life, Seattle; L. S. Macsen, Provident Life, Eugene, Ore.; I. W. Eveland, New York Life, Helena, Mont.

Area II—R. E. Wood, Phoenix Mutual, San Francisco, chairman; Herman Wulfsberg Jr., Northwestern National, Long Beach, Cal.

Area III—R. S. Frye, Northwestern Mutual, Denver, chairman; Gerald (CONTINUED ON PAGE 27)

Md. Governor Orders Study Of Hospital Costs, Their Effect On Blue's Rates

Gov. Tawes of Maryland has ordered complete studies of hospital costs and service and their impact on Blue Cross rates following three days of hearings into Maryland hospital service's request for a 2.45% increase. A spokesman for Blue Cross warned that the plan's reserves are dwindling rapidly and that it would become financially insolvent if the increase is not granted.

During the hearings Commissioner Sears ruled that hospital costs and services were not in his department's jurisdiction, refusing to hear testimony on anything other than Blue Cross finances. Attorneys for some opponents to the increase walked out on the hearings and denounced his stand.

The governor asked a 70-member committee on health and medical care of the planning commission to recommend procedures and scope of the study. The committee will work with a special committee of the legislative council headed by Sen. North, which is already studying the problem of hospital costs and their relationship to Blue Cross rates.

Sen. North said the studies would cover questions of quality of medical care, whether hospitals that receive Blue Cross payments should be classified for benefit levels according to size and whether extravagance and excessive hospitalization have been factors in rising premium rates.

Results For First Six Months Given

| | 1959 New Life Ins. Bus. | 1958 New Life Ins. Bus. | 1959 In Force Increase | 1958 In Force Increase | In Force As of 6-30-59 |
|-----------------------|-------------------------------|-------------------------------|------------------------------|------------------------------|------------------------------|
| Provident L. & A. | 158,327,446 | 145,835,241 | 114,417,326 | 19,903,466 | 2,541,845,000 |
| Continental Assurance | 319,704,026 | 252,143,328 | 278,365,096 | 128,334,447 | 5,689,085,000 |
| Independent L. & A. | 96,684,234 | 58,033,196 | 60,651,474 | Not Available | 859,408,000 |
| Liberty Life | 113,684,469 | 109,056,205 | 33,505,315 | 44,749,005 | 1,085,980,000 |
| Massachusetts Mutual | 649,527,455 | 551,248,691 | 361,715,245 | 299,183,028 | 5,917,288,000 |
| Penn. Mutual Life | 364,753,763 | 318,588,344 | 151,845,744 | 124,784,943 | 4,805,728,000 |
| Security Mutual Life | 25,330,244 | 20,711,701 | 9,409,074 | 4,826,511 | 500,372,000 |

FREE Monarch® BROCHURE

HERE'S A

NEW OPPORTUNITY

IN THE INSURANCE FIELD!

This free brochure tells exactly why the Monarch opportunity is now greater than ever before!

Gives 8 main advantages for new men, including this: Monarch men can now provide all the insurance coverages a person needs — non-cancellable health and accident, participating life, group, property and casualty — a complete Family Security Plan.

Liberal retirement, group life and hospitalization benefits for all salesmen and their families.

FOR COPY OF BROCHURE, WRITE DEPT. NU

Monarch LIFE INSURANCE COMPANY
SPRINGFIELD, MASSACHUSETTS
NOW AFFILIATED WITH SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY
AND NEW ENGLAND INSURANCE COMPANY

Court Ruling Eases Benefit Payments To Residents Of Poland

NEW YORK—Payment of life insurance benefits and other fiduciary monies in the United States to residents of Poland will be facilitated as a result of a decision handed down in July by Judge David N. Edelstein in the federal district court of New York, according to Institute of Life Insurance.

The case on which Judge Edelstein specifically ruled, Jan Danisch et al vs Guardian Life, involved \$20,000 held for payment by Guardian, but was believed to involve several hundred thousand dollars more which life companies in this country had been withholding pending judicial determination. The case was a part of the whole "Iron Curtain" payments question.

Rev. Theodore A. Kupka, Poland-born, took out policies with Guardian more than 30 years ago, and died in 1951 in North Dakota, leaving as beneficiaries nephews and nieces in this country and in Poland. Those in the United States were paid promptly, but Guardian refused to transmit benefit payments to those living in Poland on the ground that under Polish government practices then current beneficiaries would not be allowed the use of the money.

Payment Across The Iron Curtain

In fact, as explained by Daniel J. Reidy, Guardian vice-president and general counsel, after Father Kupka's death beneficiary proof forms were sent to relatives in Poland, but were never returned. Instead, letters were received from some beneficiaries requesting that the money due them be held here until such time as they were able to get to this country.

The question of payments across the Iron Curtain, not only to Poland but also to Red China, the Soviet Union and other satellite countries, was taken to the courts and also became the subject of a hearing conducted in October, 1957, in New York's Federal Court Building by the Senate judiciary committee's internal security subcommittee.

Moral, Financial Responsibility

Representatives of several life companies, including Guardian, expressed their doubts about effective transfer of policy proceeds to the kin or other beneficiaries of people who had come to this country from Poland. They said that the only measure they had to go by was the U. S. Treasury's and Social Security Administration's regulations on transmittal of their funds to residents behind the Iron Curtain.

They spoke of their companies having a moral as well as financial responsibility and said they feared that the wishes of the insured might not be carried out properly. The letters from Poland requesting Guardian to hold benefit monies were cited.

Many Changes Since Decision

Judge Edelstein noted in his decision that since the Danisch-Guardian suit was instituted many changes had taken place in Poland. In June, 1957, after tension in Poland eased, the United States and Poland negotiated credit and sales agreements and broadened trade. These arrangements were followed immediately by the Treasury's removal of Poland from the proscribed list for sending Treasury checks to residents, and, in May, 1958, by the

Social Security Administration's similar action.

About the same time, Judge Edelstein recounted, it was learned that Warsaw had relaxed the official exchange rate from four zlotys to the United States dollar—a rate Guardian described as virtual confiscation—to a rate of 24 zlotys to the dollar.

Mr. Reidy expressed satisfaction with Judge Edelstein's clarifying ruling and said he believed the companies' withholding of benefit money from Poland pending court guidance had been one factor in the Polish government's adjustment of the exchange rate to enable its nationals to get six times the amount they would have from the United States. Since the Danisch-Guardian case was a test, Mr. Reidy said, Judge Edelstein's finding probably would be followed by other life companies in this country having similar Polish claims to settle.

General Agents & Managers Club of St. Louis heard I. H. Harrison, Texas Christian University, speak on "Inflation" at a recent luncheon meeting.

Agent Has Patriotic Duty To Stress Role Of Thrift—Schaaff

The life agent's most urgent patriotic duty is to impress on every American the importance of thrift in his personal affairs, Charles H. Schaaff, executive vice-president, told Massachusetts Mutual sales leaders at regional meetings held at the Greenbrier Hotel, White Sulphur Springs.

"The threat of more serious inflation is ever with us, unless we all work to sell the virtue of saving money," he declared. "This is a job we must do for the welfare of our country."

Mr. Schaaff said it is wrong to assume that the buyer wants to buy term insurance and invest the difference. "The buyer wants what you propose and sell to him. It is your job to educate him and sell him on the value of permanent insurance as an 'anchor to the windward' or backlog in any proper investment program."

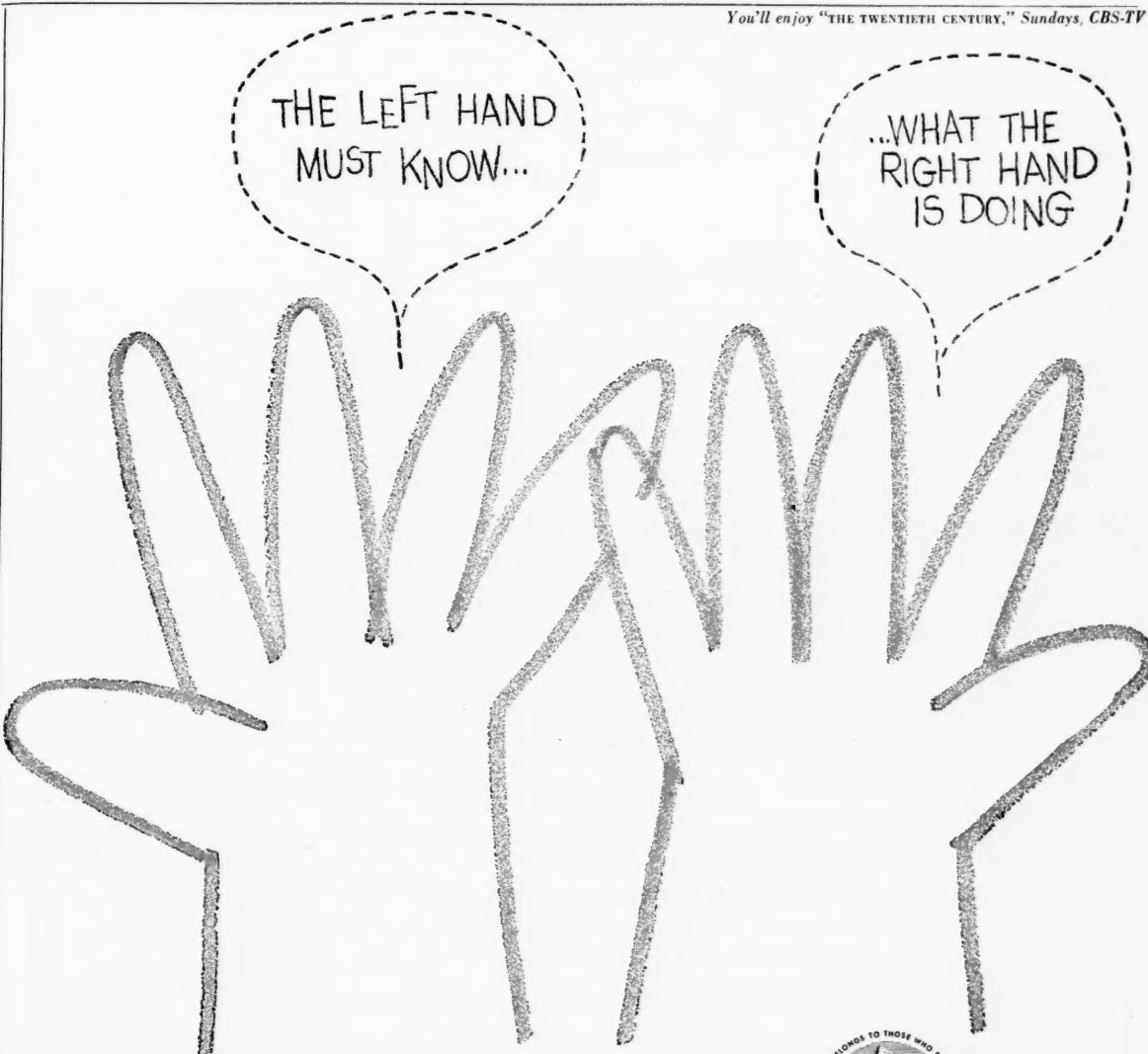
He pointed out that all good investment advisers will quickly agree that permanent life insurance should be the basis of and first investment in anyone's program.

"We have no quarrel at all with stock investments, mutual funds, or the people who sell them, but we do believe firmly that most people do not have enough permanent insurance and that the emergency funds represented by permanent cash values are important in these times or any times," he said.

Mr. Schaaff also emphasized that the life agent has a duty to bring basic life insurance protection and savings to as large a number of persons as possible, even though he may be selling bigger cases in the tax, estate analysis and business insurance fields.

"We firmly believe," he said "that all men should strive for a large number of cases and that new men, in particular, should try to sell frequently at first and build up the average size policy from there." He reported that Massachusetts Mutual had increased its number of lives sold during the first half of 1959 by 2,600 cases.

You'll enjoy "THE TWENTIETH CENTURY," Sundays, CBS-TV



This old and accepted adage is particularly true when applied to a company's efforts to coordinate its "left hand" (Advertising) with its "right hand" (Sales Promotion).

At Prudential our Advertising and Sales Promotion work hand in hand. Their efforts help support Prudential's modern sales organization. The result is a twentieth century sales program that brings more protection to more people.



The Prudential
INSURANCE COMPANY OF AMERICA

LIFE INSURANCE • ANNUITIES • SICKNESS & ACCIDENT PROTECTION • GROUP INSURANCE • GROUP PENSIONS

Treasury Finds Many Arguments Against Keogh-Simpson Measure

Over and above the cost in tax revenues, the Treasury has been able to come up with a few arguments against the Keogh-Simpson bill (HR 10) permitting the self-employed to have something of the same tax break now accorded employees under qualified pension plans. For the insight it gives into the Treasury department's thinking and to permit readers to evaluate the strength of the Treasury's position, there is here presented except for a brief introductory passage, the statement that David A. Lindsay, assistant to Treasury Secretary, gave at the Senate finance committee hearings last month on the bill.

HR 10 will involve a substantial loss of revenue, estimated at \$365 million for the first year, which, in the interest of fiscal soundness, we can ill afford.

This legislation should be considered against the background of our present fiscal position. We are now moving towards the close of the fiscal year with a deficit which may be in the order of magnitude of \$12.5 to \$13 billion. We will shortly appear before this committee requesting an extension for another year of the Korean War corporate and excise tax rates. As you know, the President in his budget message to the Congress this year stated that the budget outlook for 1960 makes it essential to extend present tax rates for corporation profits and certain excise taxes another year beyond their present expiration date of June 30, 1959.

Not only will the budget outlook for 1960 make the rate extension essential, but we are also of the opinion that a reduction of corporate rates is not justified when reduction in rates for

individuals cannot properly be made.

By the same token, we do not believe it is appropriate to permit selective tax relief when more general tax reduction cannot properly be made. There are many alleged discrepancies in the tax law, and it is difficult to pick out just one and provide tax relief for a particular group of taxpayers when you do not have a general levelling or a total amount of money that you can release and agree as to how it should be distributed.

Recognizes Law's Flaws

The Treasury recognizes that present law does not give self-employed persons tax treatment for their retirement savings comparable to that now accorded to employees covered by employer-financed pension plans. Employee pension plans, if arranged on a non-discriminatory basis, receive favorable tax treatment.

At present, employers are permitted to take current deductions in computing their taxable incomes for contributions which they make to non-discriminating pension funds for the benefit of their employees. No tax is imposed on the employee until the pensions are received after retirement. The opportunity to postpone the receipt and the taxation of income currently set aside in pension funds makes it possible for employees who are covered by such plans to secure larger net retirement incomes after tax from any given payment by an employer.

Qualified pension trusts have a further tax advantage. The investment income earned on the funds held by the pension trusts is tax exempt until received by employees as part of their pensions. There is, in effect, a tax-free build-up on non-taxed earnings.

Though there is no final tax exemption of the income paid by employers, or of the income earned on accumulated funds, the advantages of postponement of tax on both are important, and combine to increase materially the net retirement income of employees.

The purpose of HR 10 is to remove a discrimination or inequity in the tax law affecting self-employed persons. I believe it is fair to say that sponsors of this legislation have worked conscientiously for many years in an attempt to remove the inequity in a manner which they believe to be modest from the point of view of the taxpayers benefited and from the point of view of the impact on the revenues.

In the attempt to remove the inequity, however, new inequities and new discrepancies are created. This, in turn, will create pressures for still further modifications in the tax law to eliminate the new inequities created by this legislation.

Discrimination Not Intended

The tax benefit which has been conferred on those covered under private and certain public pension plans is not the result of any legislative purpose to discriminate in favor of one group to the exclusion of others. The present tax treatment of employees covered by pension plans arose, to a significant degree, in recognition of the circumstances under which pensions are usually provided.

Employees typically do not acquire vested rights under pension plans until they have reached a certain age or work for a company for a specified number of years or both and may forfeit their pensions if they leave the firm before acquiring vested rights.

Consequently, the present postponed tax treatment granted to employees covered by pension plans is, in a sense, a practical solution since to tax all employees currently on their potential benefits under pension plans would be unfair to those who never receive ac-

tual benefits. A similar reason does not exist for allowing self-employed people to postpone payment of tax on their retirement savings, since they always retain rights to such funds.

Moreover, self-employed people often have offsetting advantages over employees with respect to their retirement. Many professional persons and other self-employed people do not have definite retirement ages. They can often do prefer to work, at least on a reduced schedule, long after employees are required to retire. Self-employed persons therefore are able to spread their earned incomes over longer periods. In this connection, it should be noted that there is no need to retire in order to receive the full benefit under HR 10.

Cites 'Unique Advantages'

HR 10 would grant the self-employed unique advantages under the tax law. First, under HR 10, self-employed persons may voluntarily establish their own private pension plans without making provision for the retirement of their own employees. Thus for the first time voluntary plans may be subject to the limitations under the bill as to amounts, be adopted for the benefit only of the employer.

Second, the self-employed person may time contributions to suit their individual needs without losing the benefits of past or future contributions. Self-employed persons would not have to finance their investments in the specified funds out of current earned income but instead could finance such investments by utilizing past savings.

Can't Control Withdrawals

Third, although HR 10 is intended to provide tax relief for funds set aside for retirement purposes, there is no effective means provided to prevent or discourage the withdrawal and consumption of the specified savings before the age of retirement. The relatively moderate "penalty" imposed on such withdrawals under HR 10 would frequently be more than offset by the tax advantages resulting from spreading the income over as long as a five-year period for tax purposes.

Consequently, people with fluctuating incomes would have the incentive to use the plan for averaging their incomes rather than for retirement purposes, since they would be able to withdraw savings made under the plan with tax advantages when their incomes are relatively low.

The Treasury has estimated the re-

(CONTINUED ON PAGE 25)

A new approach to your professional career

Build your own agency on the strong foundation of Central Standard Life's new career contract which offers:

- Renewals completely vested for the premium paying period of the policy, plus . . .
- Top first year commissions.
- Company sponsored education.
- Tested, proven direct mail aids.
- All new A & S program.
- High value, low premium Life Plans.
- Liberal underwriting.
- Agent-Agency building philosophy.

Substantial Override for General Agents—
Build your own agency • Plan for your retirement
Create an estate for your family

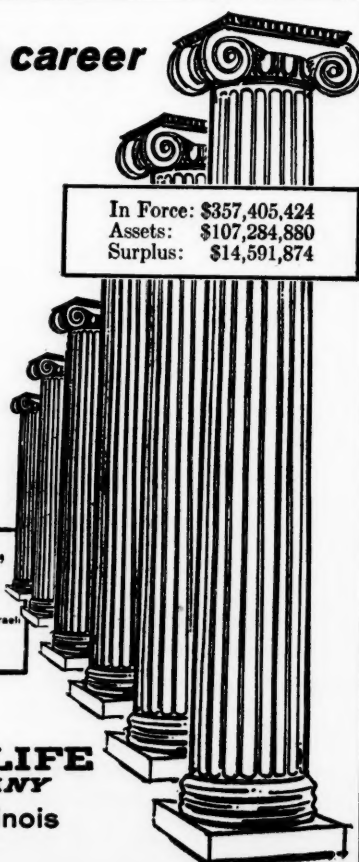
"The secret of success is Constancy to Purpose"
Benjamin Disraeli

Our success has been achieved with our career men and women.

See for yourself

Write or wire today for your "new approach" agent's kit. Get full details by contacting your local Central Standard General Agent or: John M. Laflin, Vice President and Agency Director.

CENTRAL STANDARD LIFE
Founded in 1905 • INSURANCE COMPANY
211 W. Wacker Drive Chicago 6, Illinois
Life • Accident • Sickness



In Force: \$357,405,424
Assets: \$107,284,880
Surplus: \$14,591,874

LIFE ADMINISTRATIVE POSITIONS \$15,000 - \$10,000

Positions listed below are with medium/small companies, all well-established, excellent financial structure and progressive management.

| | |
|--------------------------------|----------|
| South Life Adm. Vp. | \$15,000 |
| M. West Asst. Life Controller | \$13,500 |
| East Assistant Controller | \$12,500 |
| East Pension Dept. Adm. | \$12,500 |
| Ry. Mt. Life Undr. Mgr. | \$10,000 |
| M. West Life Advertising Supv. | \$10,000 |

Over two decades specialization in insurance executive placements have provided us with most extensive executive listings of any source in country.
Write for "HOW WE OPERATE." No obligation to register.

FERGASON PERSONNEL

INSURANCE PERSONNEL EXCLUSIVELY
Harrison 7-9040
330 S. Wells St. Chicago 6, Ill.

Pacific Mutual Life's Mutualization Result Of Two Decade's Effort

Pacific Mutual Life's recent mutualization (reported last week) was the culmination of two decades of planning, company officials have noted. According to Asa V. Call, company chairman, "The business now conducted by Pacific Mutual is the only one in the state that became involved in substantial financial difficulties and, without merger or the addition of outside capital, succeeded in making itself again a great and strong organization."

Opportunity for mutualization of the company came in 1936 when the old Pacific Mutual Life of California, a stock company, was found to be insolvent due to inadequate reserves behind an unduly generous form of non-cancellable disability income insurance where the cost of claims was far out of proportion to the premiums charged. After being reorganized, the stockholders had a 10-year option to make good the deficiencies under the non-cancellable contracts and thus regain control. Failing to do this, when the company had the legal right to ask for mutualization, it did so.

Pacific Mutual is currently licensed in 44 states, District of Columbia, and Hawaii. Policyholders and beneficiaries were paid more than \$72 million last year.

Pan-American Introduces Unusual Department Store Customer-Insurance Plan

Pan-American Life and D. H. Holmes, Ltd., New Orleans department store, have developed an unusual customer-insurance plan that will be offered to the store's charge and credit plan customers. Pan-American believes it is the first and only plan of its kind in the United States.

All Holmes charge-account or credit-plan customers are eligible for the plan without physical examination. Life coverage is made available to the customers at a flat rate of \$10 per year for all ages, is payable once a year and will appear as a regular charge on the customer's statement. Face amount of the policy is determined by the age of the customer as follows:

Up to age 30, \$2,000; age 30 to 40, \$1,500; age 40 to 50, \$1,000; age 50 to 60, \$500, and age 60 to 65, \$250.

One provision of the plan is that Holmes would receive, at the time of the customer's death, the amount owed the store by the customer and the balance of the face amount will go to the beneficiary.

The plan is being offered to Holmes' customers throughout Louisiana.

Prudential To Get Liens On Cinerama Assets

It is reported that stockholders of Cinerama Inc. will be asked at a special meeting Aug. 6 to approve creation of liens in favor of Prudential on substantially all of the assets now owned or subsequently acquired by Cinerama.

Management of Cinerama, it is said, will seek approval of a proposal to transfer all rights in Cinerama cameras, projection and other equipment and patents and equipment related thereto to two new wholly-owned subsidiaries. All the stock of the proposed subsidiaries would be pledged to Prudential as security along with the liens and

Cinerama's rights in four proposed feature pictures. Cinerama would also assign to Prudential all patents owned in Vitarama Corp., a wholly-owned subsidiary of Cinerama, and also all the stock of Vitarama.

Approval of two-thirds of Cinerama stock is necessary to transfer assets of subsidiaries and create the liens. Objecting stockholders would be entitled to receive the appraised value of their stock.

Prudential is making a multi-million dollar loan to Cinerama to expand the activities of the company.

Connecticut Mutual Life Has Guaranteed Insurability Option

Connecticut Mutual Life has added a guaranteed insurability agreement to its portfolio. Under the agreement, insured is guaranteed the right to buy additional coverage at specified future dates without medical examination and without regard to future health or occupation.

At each option date, starting at age 25 and at three year intervals up to age 40,

insured may purchase additional coverage not in excess of the original policy or \$10,000, whichever is less. An insured who buys a \$10,000 policy at age 24 may purchase up to \$60,000 of additional coverage. The minimum policy to which the option may be added is \$5,000.

The plan also includes a purchase credit allowance, under which savings in underwriting expenses will be passed along to the insured in the form of a purchase credit toward the initial premium of each new policy bought under the agreement.

OHIO is next!

Soon we will be making agency appointments in Ohio...

***American Health Insurance**, like its present agencies, is growing on a planned progression program. In 13 other states it has built outstanding agencies—Ohio is next—and as elsewhere, we expect to do a good job and a big one.

Do you belong in our picture? Your most valuable asset—to yourself and to us—is your local reputation. We know, from our background of 20 years of sound, specialized experience, that people like best to do business with a home town business man. To be an American Health Agent you must fill that bill—with enthusiasm, integrity and diligence.

The company and agent who specialize in personal and family insurance serve the public best. By specializing, the company can give its policy owners better value, better coverage, better service. As a specialist, the agent can develop his professional skill, with sufficient time devoted to administering service. American Health seeks substantial volume at a limited, carefully selected number of points—where local service can be provided thru local agents who serve the company faithfully and the public honorably. Only under these conditions is the cost of good local service justified.

If you desire a professional career in business for yourself, this is a unique opportunity. With thorough training, with full company support, and with personal application you can give the amount and quality of service to find a successful and profitable career. Your career will be based on satisfied policy holders.

***American Health sets a pattern**—in designing its coverages, in establishing its rates, in its underwriting methods—that permits the local

Managing Agent (who is the company in his territory) to pay claims on the spot promptly and without red tape. Any informed agent is fully aware of the importance of prompt claim payments to the growth of his business.

If you are the kind of agent we are seeking, you'll be delighted to find that American Health is your kind of company. You'll want to learn more about the very special opportunity we have to offer now . . . in Ohio.

"Where there's a will there's a way." Write for our booklets, "The American Health Story" and "Automatic Progression Program." A sound, secure, profitable career is available to the man who has the will . . . for here is a way. Write direct to Agency Department, AMERICAN HEALTH INSURANCE CORPORATION, 300 St. Paul Place, Baltimore 2, Md.

Our representative will be in Ohio in the weeks ahead. Inquire promptly so that you may be included in his plans.

**A specialist insurer with a reputation for integrity.*



It makes sense to expect special results from a specialist in the field

This advertisement first appeared in FORTUNE MAGAZINE, May, 1959

39 MEN WHO HAVE REACHED THE TOP BY SERVING THE NEEDS OF OTHERS



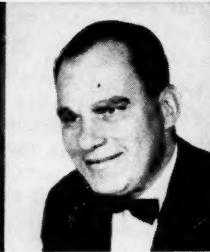
Sidney Franklin, CLU
Cleveland
V.P., East Central Region



Satch Austin
Enid, Okla.
V.P., Southwestern Region



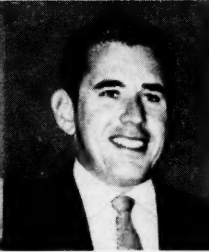
Frank Nathan, CLU
Los Angeles
V.P., South Pacific Region



Howard J. Richard, CLU
Boston
V.P., Northeastern Region



T. F. Flournoy, Jr., CLU
Macon
V.P., South Central Region



J. Edward Fein
Chicago
V.P., North Central Region



Arnold Domenitz, CLU
New York
V.P., Greater New York Region



J. Tom McCreary
San Francisco
V.P., Central Pacific Region



Richard G. Bowers
Keokuk, Iowa
V.P., Northwestern Region



Elmer C. Moore
Wichita
V.P., Midwestern Region



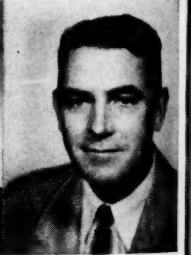
S. M. Selekmán
Pittsburgh
V.P., Middle Atlantic Region



Kenneth L. Van Leuven
Spokane
V.P., North Pacific Region



John H. Blackburn, CLU
Edmonton, Alberta
V.P., Canadian Division



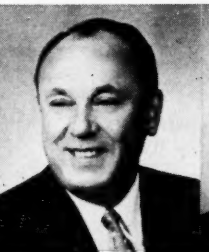
James K. Wade
Dallas
2nd V.P., Southwestern Region



Ben Silver, CLU
Oakland
2nd V.P., Central Pacific Region



Bernard Rawiszer
Bronx
2nd V.P., Greater N.Y. Region



Isaac M. Kanarish
Chicago
2nd V.P., North Central Region



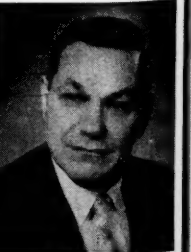
Ben H. Sekt
Sioux City
2nd V.P., Northwestern Region



Paul Goodman
Los Angeles
2nd V.P., South Pacific Region



Jack E. White, Dothan, Ala.
2nd V.P., South Central Region
Nat'l Leader, A&S and EPP Sales



Harry S. Peril
Shamokin, Pa.
2nd V.P., Middle Atlantic Region



Thomas A. Bradford
Charleston, W. Va.
2nd V.P., East Central Region

James C. Bradford
Battle Creek, Neb.
2nd V.P., Midwestern Region

William G. Doherty
Milton, Mass.
2nd V.P., Northeastern Region

John J. McKenna
Butte
2nd V.P., North Pacific Region

Liguori Vaillancourt, CLU
Montreal, Quebec
2nd V.P., Canadian Division

Rudolf L. Leitman
Detroit
President, 1956

Edwin T. Golden, CLU
San Francisco
President, 1950



Reed W. Brinton, CLU
Salt Lake City
President, 1947

Edward J. Mintz, CLU
Salinas, Calif.
President, 1948

Daniel H. Coakley
Boston
President, 1957

Hubert N. Hoffman
Arlington, Va.
President, 1953

Robert A. Davies, CLU
San Francisco
President, 1946

C. H. Killen
San Antonio
President, 1949

Harry A. McColl
Colorado Springs
President, 1945



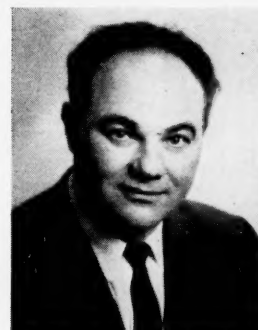
George Bowman
San Francisco
National Leader, Group Sales



Herbert V. Kibrick, CLU
Boston
President, 1958



Raymond F. Triplett, CLU
San Jose
National V.P., 1958



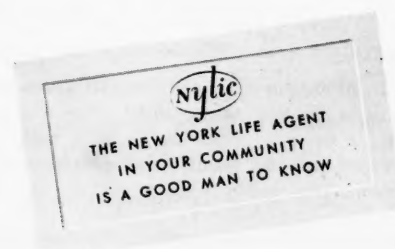
Ben Feldman, CLU
Youngstown
Leading Past President

Meet the Leaders in New York Life's "Top Club"!

If you see a familiar face among those pictured here, we won't be a bit surprised. Each of these New York Life agents is pretty well known around his own home town. But then, meeting and *serving* people in all walks of life is the main part of the agent's job—and these men are expert at it.

They are personally helping thousands of individuals and businesses achieve greater security through properly planned insurance programs. In doing so, they earn the appreciation, respect and friendship of those they counsel.

They are outstanding examples of why we confidently say . . . "The New York Life agent in your community is a good man to know!"



New York Life

nylic Insurance Company

51 Madison Avenue, New York 10, N. Y.

Life Insurance • Group Insurance
Annuities • Accident & Sickness Insurance • Pension Plans

Superiority Of Life Insurance To Equities Detailed In Booklet

NEW YORK—A competitively useful comparison of life insurance with mutual funds and other equity holdings is contained in a booklet, "Investing For Family Security Today And Tomorrow," put out by Home Life of New York.

The booklet opens with an analysis of the inflation menace, which has

been driving many people to buy equities as a hedge. It quotes Prof. Marcus Nadler of New York University, who says that continuing inflation is not inevitable and carries within it the seeds of its own destruction. It dries up sources of investment capital, it leads to higher money rates, which in turn bring restrictions on

credit, a decline in business activity, and therefore creates unemployment.

The booklet points out that the world economy is characterized by business cycles and in the United States periods of business prosperity, full employment and high prices historically have been followed by retrenchment and slow-down. Expressing doubt that this pattern will be broken and from this point onward the economy will only move upward, the booklet goes on:

Since the duration of an inflationary period cannot be foretold, what course

should the prudent investor take? If he is a family man, with obligations to provide guaranteed income, has he any alternative but to invest in assured values of life insurance?

"From the standpoint of moral responsibility to his loved ones, the investor in good conscience cannot enter upon a program that will mature only at some distant date—not, at least, until the full security needs of his family today have been met. How can he predict whether or not he will live long enough to complete the long-term program? Life insurance, in effect, provides the time a man needs to build an estate—and provides it immediately.

"Forgetting the moral aspects for the moment, let us consider life insurance as a long-term investment during inflationary times—purely from the vantage point of financial soundness.

"Advocates of equity investments like to talk about the advantages of 'dollar averaging' in the purchase of stocks. The investment in life insurance is a perfect example of dollar averaging.

Dollar Values Average Out

"Premiums paid during inflation—when dollars are cheap—and during recession—when they are expensive—tend to 'average out' over the years. The typical life insurance policy that matures as income for a widow, or as funds for college or retirement, is bought with dollars that have fluctuated in value and pays out in similarly fluctuating dollars. The investor cannot foretell the condition of the economy at the time when the need for his life insurance fund will arise. But chances are that the dollars received at that time will be the average in value of the dollars paid in premiums through the years."

The booklet cites a purchase of life insurance in 1925 when perpetual prosperity seemed to be at hand. The policyholder, in 1929, managed to keep his job and his life insurance but suffered great losses on his other equities. In 1935 he bought more Home life insurance and in 1938 he died leaving a widow and three children. The insurance took care of them and the widow is today happy, financially independent and eternally grateful to her husband for the faith he had in life insurance.

Stock Market Looked Good

The booklet points out that this policyholder invested in life insurance during a period of unprecedented prosperity when the stock market seemed to be the solution of all problems of future family security. But the economic pendulum made its inevitable swing. The life insurance that the policyholder bought with "cheap" dollars matured and paid off during the depression with "expensive" dollars. But it is important to know that these dollars continued to provide substantial income in this inflationary time as well, the company comments, adding that no investment other than life insurance would have provided the guaranteed security that the family needed.

On the short-range view, there is the person who agrees that continuing inflation is not inevitable, but feels that the picture will get worse before it gets better, and consequently wonders about investing in life insurance at this particular time. He wants to know how it shapes up as an investment during the next year or five years or 10.

As an answer to this, Home Life (CONTINUED ON PAGE 20)



This was Wall Street...when Selig Kling became Guardian's First Policyholder

On July 17, 1860, the day after The GUARDIAN opened its first office at 90 Broadway, corner Wall (the corner building on the left side of the illustration), Selig Kling, "segar merchant" of 284 Gates Avenue, Brooklyn, purchased GUARDIAN Policy No. 1 for \$3,000.

In 1863, for an additional premium of \$15, Mr. Kling's policy was amended to permit him to take a voyage to Cuba. This was a liberal dispensation for those days, since rigid restrictions banned summer travel to even our own Southland, such was the fear of tropical fever.

Mr. Kling died on September 5, 1872, and his wife Rosalie duly collected \$3,636.36, representing the full amount of the policy, plus accumulated dividends. Mr. Kling had paid in a total of only \$1,157.52.

Since 1860, The GUARDIAN has extended its protection to hundreds of thousands of policyholders—distinguished

people in every walk of life, but especially to that vast segment of the population who, like Mr. Kling, never get their names in the newspapers. This service includes life insurance benefits at reasonable rates to many with physical impairments and hazardous occupations.

Now in our one hundredth year of service to American families, we are offering the most attractive policies in our history. One of these contracts is our "Preferred Risk 60" which offers (1) substantial protection while the children are growing up; (2) accumulation of high cash values for emergencies and opportunities; (3) an end to paying premiums after age 60; and (4) another source of retirement income for later years.

Have a talk with your local GUARDIAN representative or broker. Find out how you can benefit from GUARDIAN's century of experience in serving American families.

The GUARDIAN Life Insurance Company OF AMERICA

A Mutual Company • Established 1860

50 UNION SQUARE, NEW YORK 3, N. Y.

The first of a series of ads in the SATURDAY EVENING POST, NEWSWEEK, TIME, and NEW YORK TIMES SUNDAY MAGAZINE, marking GUARDIAN'S Centennial in 1960.

Conn. Mutual's New Stars Tell How They Surmounted Obstacles

Five of Connecticut Mutual Life's successful younger agents, at the annual agents' convention held at Banff, Canada, appeared on a panel session moderated by Assistant Agency Vice-president Horace R. Smith to give their thoughts on the life insurance business and how they had achieved success in it. Excerpts from their talks follow.

Patrick B. Carr, Portland, Ore.: One of the first problems I had to overcome when I entered this business was to realize that I had a right to discuss my business as freely as anyone else did theirs, whether they were doctors, lawyers, advertising men or any other type of business man. I believe life insurance is the finest business in the world, and I'm proud to be a part of it.

I believe life insurance is a family situation, so I try to discuss proposals with husband and wife together, in their home. When I approach my prospect, usually by telephone, I keep in mind that I'm selling an interview, a family interview on a family problem, and that I'm not selling life insurance. A properly set up interview is a long step toward a sale and in any event makes the close that much easier.

People Work For Him

Kenneth W. Christianson, Los Angeles: If my production is to grow in spite of the increasing demands for service for a growing clientele, I believe I must have more people working for me. Developing centers of influence is imperative for the long pull. I spend a lot of time cultivating attorneys, accountants and other influential people, for their referrals and leads result in the best business and often in easier sales.

Without referrals, often a blunt, fast approach works best. Ask a man if he has increased his life insurance estate lately. The results can be amazing.

If I work intelligently, upgrade my prospecting, call on more wealthy people, see more successful business men, if I do these things, even if I can't always solve the problems of all of my prospects, at least I can solve all the financial problems of one small business man—myself.

Found 'Bubbling Enthusiasm'

C. Frank Eastman, Wilkes-Barre, Pa.: At a company sales meeting I was struck by the fact that there was nothing mysterious or magical about any of our top producers. But I did find out that they all had a bubbling enthusiasm for life insurance and the work they were doing for their clients. And they were talking bigger figures than I was accustomed even to thinking about.

So when I returned to the office, I set my sights high, and deliberately prospected for the men who could afford the size coverage I had in mind. But I was reluctant to approach them. Instead I started working on young interns who, I figured, would eventually be able to afford a lot of life insurance.

The volume was gratifying, but I was disappointed in my average premium. So I went after established doctors. It wasn't easy, and my success was gradual. But in every case, I tried to do an exceptionally fine job. And they appreciated it. In selling to doc-

tors, I had a lot of competition. But in the area of outstanding service, I didn't have nearly as much competition. And as my reputation grows, I find I don't have to worry as much about any kind of competition, and this is as true in business and estate cases as much as it is with doctors.

J. Craig Brown, Los Angeles: A few years ago I was critically ill and I could think only of my family, my wife and child. And then I thought of my life insurance. I remember well that I thanked God for every dollar of life insurance I had, and wished that I had a hundred times as much.

I finally recovered, and some months later I investigated the possibility of selling life insurance as a new career. But could I sell an intangible? Then I remembered my thoughts in the hospital about my own life insurance, how wonderful it was to have. I remembered how I knew I had something. It was there. It was actually

tangible, the most important asset I owned.

Yes, my convictions about the needs and the tangibility and the doctrine of life insurance were firmly established, and they decided for me that I should sell it. They also are the basis for whatever success I've had selling it. We can learn to be inspired thinkers, we can learn the techniques of simple programming and of motivation. But conviction—that we must create for ourselves. It's a rare man who can succeed in this business without it.

Must 'Think Big'

John F. Wilcox III, Omaha: If you want to do a big job, you must think big. Whatever your goal, believe you are big enough to attain it and don't stop trying until you do. My objective the moment I entered this business was to write a million. Three years I worked on this before I succeeded. I believed I was big enough to shoot for a goal attained by relatively few men, and I wanted the self-satisfaction of knowing that I could reach it.

I invited prodding along the way. I let others know my goal; then it wasn't so easy to slip back into a rut.

As long as I firmly believed I could reach my goal, and never stopped working on it, success was just a matter of time.

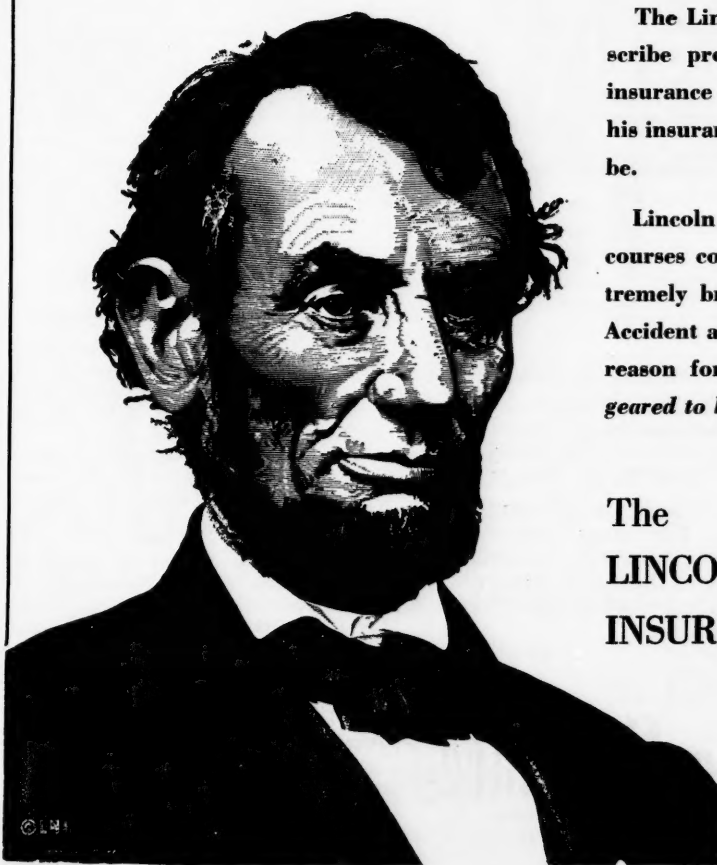
Set Fla. Hearing On Credit Life, A&S

Commissioner Larson of Florida has alerted credit life and A&S companies that he intends to call a hearing on credit coverage premium rates sometime "prior to Oct. 1."

In a bulletin to insurance companies, the commissioner explained that the new Florida insurance code has a provision, effective Oct. 1, which permits the department to disapprove credit insurance policy forms if benefits are not reasonable in relation to premiums charged.

The hearing, he said, is being called to clarify this provision and to establish premium standards. Although the commissioner mentioned that a company may file statistical evidence for an adjustment in rates if its Florida experience justifies an increase, the department did propose some premium rate standards.

Trained and Equipped



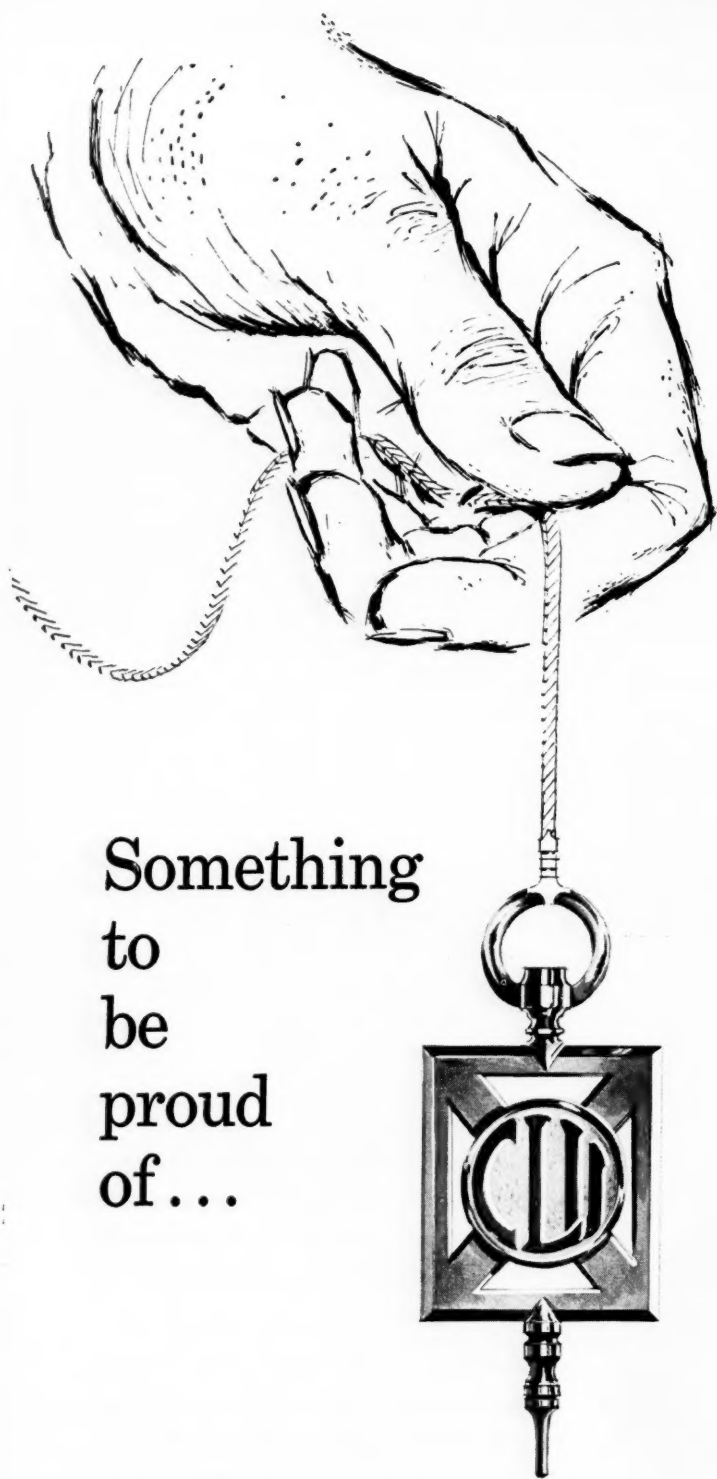
The Lincoln Life man is *trained* to prescribe properly for his clients' personal insurance needs. And he's *equipped* to fill his insurance prescription, whatever it may be.

Lincoln Life's thorough sales training courses combined with the Company's extremely broad range of Life, Group, and Accident and Sickness plans provide more reason for our proud claim that LNL is geared to help its field men.

The
LINCOLN NATIONAL LIFE
INSURANCE COMPANY

Fort Wayne, Indiana

Its Name Indicates Its Character



Something
to
be
proud
of...

The man who wears the key of the Chartered Life Underwriter has equipped himself to serve his clients with professional competence. He is a much more valuable man to his company — to his profession — and to his clients.

Jefferson Standard encourages and supports the C.L.U. movement. For many years the Company has shared liberally with its agents the cost of participating in the C.L.U. program. Needless to say, we are proud of the "key" men in our organization!



Jefferson Standard
LIFE INSURANCE COMPANY
Home Office: Greensboro, N.C.

FIC Sets Parley For Aug. 20-22 At Miami Beach

Federation of Insurance Council will hold its annual convention Aug. 20-22 at the Fontainebleau Hotel in Miami Beach. Approximately 400 members, largest gathering in FIC's 23-year history, will take part in a program featuring several speakers on insurance litigation.

Highlight of the meeting will be the presentation of the federation's "Insurance Man of the Year" award. G. H. Wortham, president of American General group of Houston, and last year's recipient, will present the 1950 plaque and citation.

Speakers at the Thursday morning session will be Edward P. Gallagher, executive vice-president and general counsel of American States, Indianapolis, and G. Frank Purvis Jr., vice-president of Pan-American Life of New Orleans. Mr. Purvis will discuss "The Litigation of a Life Insurance Company in the Past Ten Years."

Officers To Be Honored

Following the "Insurance Man of the Year" award luncheon, speakers at the Thursday afternoon session will be Frederick M. Garfield of Garfield, Clifford & Fagan, New York; E. M. Morgan, professor of law at Vanderbilt; B. G. Ramsey of Funderburk, Murray & Ramsey, Houston, and Norman E. Risjord, vice-president and general counsel of Employers Re of Kansas City, Mo.

Federation President George H. Woodliff and other officers will be honored at a reception and dinner Thursday evening.

A special program is planned for Friday morning and is yet to be announced. Commissioner Larson and President Woodliff will share the rostrum at the Friday luncheon, and a sight-seeing cruise and buffet dinner will round out the day.

William F. Martin of Clearwater & Bell, and Chicago attorney F. J. O'Connor will speak at the Saturday morning session, after which the delegates will take up federation business, including election of officers. New officers and board members will be guests at the president's annual reception Saturday evening and installed at the banquet which follows.

Other Speakers Listed For Women Leaders Sellerama

Women Leaders Round Table's Sellerama, one of the early features on the program of NALU's annual convention in Philadelphia, Sept. 20-25, has scheduled four speakers.

Suzanne Audet, Prudential of England, Quebec, Can., is WLRT chairman. Nell Burns, New England Life, Birmingham Ala., is moderator of the Sellerama.

Speakers are Marion I. Gilmore, John Hancock, Albany; Valerie Kasurak, Excelsior Life, Windsor, Ont., Can.; Ruth H. Pilzer, New York Life, Columbus, O., and Lucy R. Young, New York Life, Sheridan, Wyo.

Security-Connecticut Life Sales Increase 65% In First Six Months

Security-Connecticut Life's sales during the first six months amounted to over \$16 million, a 65% increase. Insurance in force increased 33% since the first of the year and totaled more than \$50 million.

HOW MUCH IS A LOT?

That depends on you! It depends on how much money you want to make — and whether you can instill in others your spirit of accomplishment and "know how". So, ask yourself:

Can I show others how to prospect — to get leads from their own efforts, ability and imagination and not depend on the home office or their supervisor?

Can I inspire others to tell a convincing story — and do better with a proven competitive merchandising plan, featuring dismemberment—lifetime income —top value income settlement option — and the premium payment plans of the future, Check-O-Matic and Aut-O-Check?

Can I inspire others to enjoy competition — and more important, to compete with themselves?

Can I instill in others the desire to earn — more money by making the most of their abilities?

If you can give affirmative answers to those questions, then there's *no limit* to "How Much Is A Lot" when you have an Ohio State Life Contract which offers:

Highest lifetime service fee in the business to adequately compensate the career underwriter — fully vested renewals for 9 years — top 1st year commission on par and non-par policies — agency office allowance — non-contributory pension plan — operating capital for new agents.

THE OHIO STATE LIFE
Insurance Company
COLUMBUS 15, OHIO

GENERAL AGENT OPPORTUNITIES

Write, Wire, Phone
FREDERICK E. JONES, President
HOWARD W. KRAFT, Vice President
and Director of Agencies

Home Office Changes

Occidental Of Cal.

Thomas S. Hession, for the past four years assistant vice-president, has been elected vice-president and manager of the company's mortgage



Thomas S. Hession



A. Milton Burke

loan department. Mr. Hession, who joined Occidental in 1947, succeeds A. Milton Burke, who retires after 29 years of service.

Mr. Hession began his Occidental career as assistant counsel, and was elected assistant secretary and assistant manager of the mortgage loan department in 1952.

Mr. Burke has been an Occidental vice-president since 1952 and mortgage loan department manager since 1949. He joined the company as assistant manager of the department, and has seen it grow from a staff of three to a staff of 70. He began his career in life insurance in 1929 as manager of the real estate and loan department of Northwestern Life of Omaha. He was elected assistant secretary of Occidental in 1939, and for eight years served as the company's eastern mortgage loan representative with his headquarters first in Davenport, Ia., and later in Chicago. In 1946 he returned to Los Angeles to become assistant to the president and associate manager of the company's mortgage loan department.

Western Life



Rodney A. Dreis

Rodney A. Dreis has been named assistant secretary, and will direct the company's A&S department. Mr. Dreis has been superintendent of the A&S department of St. Paul F.&M. His work with Western will be coordinated with that of Secretary W. B. Hershe, who is in over-all charge of the A&S departments in both St. Paul and Helena.

Prudential

S. Raymond Supplee has been appointed manager of the company's Detroit mortgage loan office. Mr. Supplee succeeds O. B. Royer, who retired Aug. 1 after a 30-year career with Prudential. Mr. Supplee joined the company in 1946. Prior to his present assignment, he was manager of the company's Buffalo mortgage loan office.

Mr. Royer joined Prudential in Newark in 1929. He supervised Prudential properties for 13 years before being named manager of the Michigan office in 1942.

Wayne E. Philips has been named executive director of agencies at Hous-

ton. Mr. Philips has been serving in the same capacity for the past year at Prudential's Chicago regional home office.

Northwestern Mutual

The company has made two appointments to committees of its board. Robert S. Stevenson, president Allis-Chalmers, has been appointed a mem-

ber of the executive committee, and Lynn B. McKnight, board chairman Chain Belt Co., has been appointed a member of the finance committee. Mr. McKnight has been a trustee of Northwestern since 1956, and Mr. Stevenson since 1957.

Colonial Life

Douglas J. Moe has been named secretary of the personal A&H department. He was formerly assistant secretary of United States Life. He is a member of the individual insurance

committee and the over-insurance subcommittee of Health Insurance Assn., and is 1st vice-president of the Accident & Health Club of New York.

Life Of North America

John E. Lloyd has been elected life comptroller. He has been manager of the accounting department of New England Life and before that was with Security-Connecticut Life.

Washington National

Chester M. Karol has been pro-

The protection of a strong defense

is the price of peace...

and peace of mind depends on protection too — adequate insurance coverage against all kinds of unforeseen emergencies.

The Security-Connecticut Group offers this kind of complete, multiple-line service to its representatives and their clients — has withstood the test of conflagrations, earthquakes, hurricanes, and other major disasters for over 118 years.

In the days ahead, Security-Connecticut will continue to provide the same sound protection and service which have been its hallmark.



This fascinating booklet contains every important missile in the U.S. arsenal — each one in full color, identified by name, mission and manufacturer. And it's a treasure-trove of facts about up-to-date, streamlined insurance for every need, too! Your clients will want this dramatic, useful booklet — tuned to our times, tailored to their needs — send for it now!

all forms of insurance

**SECURITY
INSURANCE
GROUP**
OF NEW HAVEN



SECURITY-CONNECTICUT INSURANCE GROUP
NEW HAVEN 5, CONNECTICUT, Dept. 178A

Please send me _____ copies of "Insurance Protection in the Missile Era" at no cost or obligation.

NAME _____

AGENCY _____

STREET _____

CITY OR TOWN _____ STATE _____

moted to division manager in charge of A&S claims. His previous position was assistant manager, commercial and monthly section, casualty and group claims division. He has been with the company 18 years.

New England Life

C. Lee Shackford Jr. has been appointed supervisor of agency financing and Nicholas T. Boufides is promoted to supervisor of agency records. Mr. Shackford has been with New England since 1939 and Mr. Boufides since 1957.

NORTHERN LIFE OF CANADA has appointed Geoffrey Horrocks assistant treasurer, and James W. Hut-ton associate actuary.

CHESAPEAKE LIFE has elected Norbert L. Grunwald a director. He is vice-president and director and manager of the Baltimore office of the investment firm of Alkow & Co.

OIL INDUSTRIES LIFE—Harold E. Riley, has been promoted to vice-president and director of agencies. He has been with the company since 1955.

Declares 25% Stock Dividend

Commonwealth Life has declared a 25% stock dividend, subject to stockholders approval at a meeting to be called in August. Record date of stockholders and payment date will not be set until after stockholder approval is obtained. Directors also declared the regular quarterly cash dividend of 5 cents per share, payable Sept. 1 to stockholders of record Aug. 15.

Independent Life & Accident has been licensed in Oklahoma.

Field Changes

John Hancock



Robert E. Dye

Robert E. Dye, superintendent of agencies, eastern division, has been transferred to San Francisco as superintendent of the enlarged western division, to succeed Charles W. Hoover, who will accept another post with the company in the near future. Harold W. Chader will expand his responsibilities in the general agency department to include supervision of northeastern agencies, previously assigned to Mr. Dye. Mr. Dye, a CLU, began his insurance career with New York Life in 1939 at Oakland, and was later assigned to Hollywood, Los Angeles and San Francisco. He joined John Hancock in 1956 as assistant superintendent of agencies in charge of field services.

Massachusetts Mutual

Raymond F. Coltrane Jr., district group agent at Atlanta has transferred to Greensboro, N.C., and will be in charge of the new district group office there.

Guardian Life



Basil S. Collins

Basil S. Collins, who recently retired as vice-president of Old Colony Trust Co., Boston, has been appointed director of advanced underwriting services at Guardian's New England regional home office. Mr. Collins, who became a CLU in 1935, is a past president of the Boston chapter and a director and regional vice-president of American Society of CLU. He is also a past president and honorary life member of Boston Life Insurance & Trust Council, and has taught courses in wills, trusts, life insurance law and estate planning at Boston University for 14 years.

James D. Holland has been appointed manager of the newly-opened regional group office at Atlanta. He has been district group manager of New England Life.

American Casualty

George J. Hogan has been appointed A&H special agent at Baltimore. He was with Continental Casualty before joining American Casualty's home office A&H department for training prior to his field assignment.

Connecticut General

Named senior brokerage consultants are Richard D. Hynes and Joseph G. O'Brien, both at the Boston brokerage agency; John C. McGroder at the Cleveland brokerage agency, and Weldon G. Kerr at the Boston branch office.

Brokerage consultants named are Larry C. Grubaugh at the Cleveland brokerage agency; J. Robert Mackenzie at the Kansas City brokerage

\$

,000,000,000
...and 1*

* to G-R-O-W on!

Proud as we are of having reached
\$1 billion of insurance-in-force, we're looking
ahead to still greater achievements
in the future.

THE **Ohio National Life**
INSURANCE COMPANY - CINCINNATI

agency; Richard M. Penwell at the Pittsburgh branch office, and Frederick S. Volotta at the New Orleans brokerage agency.

Penn Mutual Life



Earl E. Clark

Earl E. Clark, general agent at Wichita since 1958, has been named general agent at Denver to succeed C. D. Maier, who has asked to be relieved of managerial responsibility to devote his time to personal production. Mr. Clark joined Penn Mutual in 1954 at the home office and became general agent at Louisville in 1955.

Great-West Life

W. R. Noble has been named district manager of a new district office at Colorado Springs, while R. J. Nenoff has been named a supervisor of the Seattle branch. Mr. Noble joined the company as a representative at Denver in 1957. Mr. Nenoff will work with Branch Manager L. E. Brannen in directing the company's Seattle sales.

National Life Of Vt.

Arthur E. Downer has been appointed general agent at Newark to succeed Fred S. Fern, who is retiring from managerial responsibilities but



Fred S. Fern



Arthur E. Downer

will remain in personal production. Mr. Downer has been assistant general agent of Aetna Life in Newark since 1956. He joined Aetna as an agent there in 1952. He is president of Northern New Jersey Supervisors Assn., and a director of Newark Life Underwriters Assn. Mr. Fern has been in life insurance for more than 25 years and became National of Vermont's general agent at Newark in 1940. He is a founder and past president of Northern New Jersey Life Insurance & Trust Council.

Northwestern National

James E. Fisher Jr., district manager at Wichita since 1955, has been appointed manager of a new agency at Tulsa. Herbert R. Worel, general agent at Joplin, Mo., since 1957, has been named general agent at Springfield, Mo., with continuing responsibilities for Joplin. James B. Neal, formerly assistant manager of the Ihde agency of Wichita, becomes production manager of the Wichita district agency, and Ray E. Bean, general agent at Springfield for the past year, replaces him at the Ihde agency.

Charles R. Ferrill has been named manager of a new district agency at Janesboro, Ark.; Homer G. Penn has been appointed assistant manager of the North Texas agency at Dallas, and John M. Edwards and Charles E.

Huston Jr. have been named members of the home office agency field service.

Mr. Ferrill joined the company at Little Rock in 1956. Mr. Penn started at the North Texas agency in 1957. Mr. Edwards joined the company in 1956 at Tyler, Tex. Mr. Huston has been with Northwestern since 1955. All four men had been supervisors at Dallas.

Acacia Mutual

G. Edward Hacking has been appointed manager of the company's Silver Spring, Md., branch. Mr. Hacking has been unit manager at the northern Virginia office since 1948.

Standard Life, Ind.

Jeff D. Clark has retired from his post of agency superintendent at Nashville. He has headed up the central southern states area for the past 10 years. He was superintendent of agencies for Pilot Life, and later vice-president and a director for George Washington Life before joining Standard.

State Mutual Life

Bruce A. Wessel, former group manager at St. Louis, has been appointed manager of the agency there. He has been an agent of Connecticut Mutual Life and a group agent of Washington National. He joined State Mutual in 1956.



Bruce A. Wessel

Federal Life

Peter G. Frederickson has been named group regional manager at San Francisco.

Liberty Life

Newell D. Crawford has been named manager at Columbia, S.C. He has been with Mutual Benefit Life there since 1957.

Thomas F. Clark, associate manager

at Tampa, has been appointed manager of the newly opened branch at Ft. Lauderdale, Fla. He entered the life business with Aetna Life in 1954 at Cincinnati and became manager for Shenandoah Life there in 1957.

Jack N. Sokohl becomes manager of the new ordinary branch at Chattanooga. He has been with Lincoln National there since 1954.

Appointed associate managers at Chattanooga are Jack L. Brazier and Robert F. Sandford. Mr. Brazier has been with Lincoln National and Mr. Sandford with Commonwealth Life.

Provident Mutual

The company has opened a group office at 419 Second Avenue South, Minneapolis, under the direction of J. Beryl Clifford.

Monarch Life

John D. McLaren, who temporarily retired last fall after more than 25 years as general agent at New Haven, has been named head of the new southeastern region with headquarters in Orlando, Fla. Appointed gener-

Provident's



SILENT PARTNER PLAN

Good business for the businessman . . . and good business for you. This exclusive plan of business overhead expense coverage is **guaranteed renewable to age 65 at a guaranteed premium.**

The market is tremendous and relatively untapped. The sales material for the Silent Partner Plan helps you do an effective job from approach to close. Write for details.

BROKERAGE BUSINESS INVITED

PROVIDENT LIFE • ACCIDENT • SICKNESS
LIFE AND ACCIDENT HOSPITAL • SURGICAL • MEDICAL

Insurance Company

CHATTANOOGA

al agents in Mr. McLaren's region are:

Randall R. Frost at Orlando. He joined Monarch in 1954, entered management training as a supervisor in 1957, and has been supervisor at New Haven; Rutland, Vt., and Bridgeport.

Daniel J. Moran Jr. at Tampa. He was a general agent of Loyal Protective Life for several years before joining Monarch last April.

Ellsworth R. Caruso at West Palm Beach. He joined the Detroit agency in 1950, and became supervisor at Miami in 1958.

Prudential

Lawrence M. Cope has been named manager of Prudential's Lansing office. He succeeds Kenneth E. Schleicher who has been transferred to Grand Rapids as manager, replacing Henry J. Van Wolvlear who is retiring after a 43-year career with Prudential. Mr. Cope joined the company in 1948, was promoted to staff manager a few years later, and, in 1956, was advanced to training consultant for the Michigan region.

James A. Vierheilg has been pro-

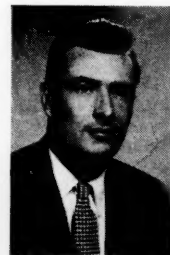
moted to manager of the company's Flint, Mich., ordinary agency. He succeeds Robert V. Winter. Mr. Vierheilg joined Prudential as a special agent in Milwaukee in 1953. In 1955, he was advanced to Racine division manager. Two years later, he was named a training consultant in the Minneapolis home office agencies department.

Samuel Zeilander, associate manager at Jamaica, N.Y., since 1956, has been appointed manager at Harrisburg, succeeding David D. West who died recently. Mr. Zeilander joined Prudential as an agent at Jamaica in

1952 and was promoted to assistant manager there in 1953.

Protective Life Of Ala.

Appointed supervisors of agencies are Barney S. Haynes for North and South Carolina with headquarters in Spartanburg, S.C., and Hoke S. Hol-



Barney S. Haynes



Hoke S. Holcomb

comb for Georgia with headquarters in Decatur. Mr. Haynes has been district manager of Jefferson Standard Life since 1954 and before that was with Liberty Life. Mr. Holcomb has been general agent of Franklin Life at Key West, Fla., since 1948, and also superintendent for Georgia and Florida of Gulf Life. He is a past president of Key West Life Underwriters Assn.

Franklin Life



Wilma L. Jenkins

Mrs. Wilma L. Jenkins, Alton, Ill., has been appointed a general agent. With Franklin since 1955, she qualified for the Women Leaders Round Table in 1957 and 1958.

Occidental Of Cal.

David D. Wolfe has been named assistant manager at Pomona. He had been an Occidental agent in the Hawaiian Islands since 1954.

Washington National



Edwin A. Graw

Edwin A. Graw has been appointed general agent at Cleveland.

MAINE FIDELITY LIFE has appointed Charles W. Hanko general agent at Freeport, Pa.

FIRST COLONY LIFE has promoted Robert G. Carr, supervisor at Baltimore, to manager, succeeding Oscar A. George who has been promoted to director of sales.

Name Protective Life Of Alabama Leading Producers Club Officers

Named officers of Protective Life of Alabama's Protective Club for leading producers are Charles E. McNeil, Mobile, president; George Bernstein, Coral Gables, Fla., vice-president, and W. S. Woodruff, Houston, secretary. Club officers are designated on the basis of their ordinary production.



Bob Ham (left) visits with Bill Ellis, Assistant Director of Agencies

New man with Midland Mutual

New General Agent Bob Ham of Summit, New Jersey, starts out right with Midland Mutual by getting to know procedures, programs—and people.

It's "get-acquainted week" at the home office for Bob Ham. During this relaxed, informal orientation, he learns how company departments support his selling efforts. He becomes familiar with Midland Mutual products—gets the information he'll need to establish a smooth-running agency.

Most important of all, Bob meets the other men from Midland Mutual. And he starts to sense the friendship, the understanding—the feeling of belonging—that is everywhere in his new company.

Midland Mutual has immediate agency openings in Florida, Illinois, Indiana, Iowa, Kentucky, Maryland, Tennessee and Virginia. Opportunities also available in other states. Write Company for full information.

Have you considered the advantages of becoming a Midlander? Write Charles E. Sherer, CLU, Vice President, for details. Ask about our exclusive FOUNDATION BUILDER program for new General Agents.



THE MIDLAND MUTUAL
LIFE INSURANCE COMPANY
256 East Broad Street, Columbus 16, Ohio

N. Y. Issues Tough Rules On High Cash Values

(CONTINUED FROM PAGE 1)

the fifth dividend option, a few companies issue policies or riders which provide an additional death benefit equivalent to the cash value for 10 years or to age 65, whichever is later.)

4. Are generally issued only for specified minimum amounts, such as \$25,000 or \$15,000.

High early cash value policies are an outgrowth of the "split-dollar" plan, which was originally designed to serve a twofold purpose in connection with employers' insurance programs for employees: (1) the employer is able to take immediate credit in his balance sheet for the amount of the high early cash value to the extent that he shares in the payment of the premiums, and (2) cash outlay by the employee is accordingly reduced. In the "split-dollar" plan, premiums are generally paid entirely in cash and in no part by policy loans.

Cites Disparity In Values

In recent years high early cash value policies have been sold to a large extent to individuals on the "minimum deposit plan." As the number of companies competing for minimum deposit business has increased, so has the disparity between the cash values available under high early cash value policies and those under other essentially similar policies.

For some companies high early cash value minimum deposit policies constitute the major part of current life insurance business. Some agents or brokers specialize in the sale of such policies to the virtual exclusion of all others. The immediate attraction to the project is a relatively small initial cash outlay in relation to the amount of insurance, and, also, an income tax saving resulting from the deductibility of interest on the loan. The incentive to the agent is a high commission in relation to the initial cash outlay by the policyholder.

Source Of Concern

For some time minimum deposit plan policies have been of concern to the insurance department, not only because of disparities between these and other policies of similar insurance with respect to the level of cash values and the relationship of commissions to initial cash outlay, but also because of persistent complaints regarding the sale of such policies and the replacement of existing policies as a result of incomplete or misleading sales illustrations and comparisons.

Moreover, representatives of numerous companies have frankly admitted the undesirable features of minimum deposit business but have stated that they were compelled to write such business to meet the pressure of their agency forces in competition with other companies. Because of these new and recent developments the department has found it in the public interest to reappraise this type of policy.

Called 'Completely Inconsistent'

When two policyholders who at the same age and condition have bought essentially similar policies in the same amount from the same company—one a minimum deposit policy and the other a conventional type policy—surrender them at the end of the first policy year, a return of as much as 70% of the first-year premium to one and a return of nothing to the other is inequitable. Such disparity is completely inconsistent with the basic principle that cash values of dif-

ferent plans should bear a reasonable and regular relationship to each other.

Accordingly, high early cash and loan values on minimum deposit policies, insofar as they result from departures from the company's regular pattern used for determining the cash and loan values of other essentially similar policies, are considered unfairly discriminatory and lend themselves to unsound and inequitable practices.

Loan Causes Cost Rise

At the time of the issuance of the high cash value policy, it is generally contemplated that the policyholder will pay in cash only the minimum amount necessary to maintain the insurance. Aside from utilization of dividends, the effect of this type of financing is to give coverage which decreases from year to year due to the increase in the loan indebtedness while the cost of the coverage increases due to the increase in the loan interest.

For the sale of what is therefore essentially decreasing term insurance, the company pays the agent a first-year commission which may exceed 90% of the initial cash outlay, whereas section 213 of the New York insurance law limits the rate of commission to the writing agent to 55% of first-year premiums on permanent plans and is designed to limit commissions on term plans to a lesser amount. In view of the intent of the statute, it is management's responsibility to see that permanent commissions are not paid on what is essentially term insurance.

'Option Ultimately Fails'

The so-called fifth dividend option is a device to provide one-year term insurance to insure policy loans made under the minimum deposit plan, purportedly to keep the insurance coverage at an approximately level amount. However, the option ultimately fails in its purpose, because the amount of dividends on deposit becomes insufficient in later years to purchase one-year term insurance in the full amount of the loan, due to the ever-increasing amount of the loan and the increasing mortality cost as age increases. In fact, the fifth dividend option provides insurance, on a one-year term basis, at unspecified rates which in illustrations reviewed by this department are generally lower than the CSO net rates.

Sales illustrations of the minimum deposit policy omit much explanation necessary to a proper understanding. They are generally limited to the first 20 years. The failure to extend the illustration beyond 20 years in the case of minimum deposit policies produces a picture which appears unduly attractive and consequently is misleading to the prospect. The result in most cases is that the prospect is not informed that the maintenance of the maximum loan will ultimately result in a decrease in the insurance coverage accompanied by an increase in cost.

Tax Change Effect Slighted

Nor is he advised that the advantage of the contract to him would diminish or disappear if his income should decrease so as to put him in a lower tax bracket or if the income tax laws should be changed. It is also apparent that such policies have also been sold to people of only moderate or low income and thus in no position

Report from Chicago:

(or: It isn't any secret any more!)*

During 1958 the North American advanced 61 positions among all U. S. life companies—life insurance in force—placing it in the upper 6th of the industry.

Authority: The National Underwriter
April 25, 1959

*The secret is ACTION!.. For the "ACTION" Story write or call

NORTH AMERICAN

ALLEN V. DOWLING, PRESIDENT

Since 1896

ACCIDENT
INSURANCE
COMPANY

Life, Accident & Health Insurance

209 SOUTH LASALLE STREET • CHICAGO 4, ILLINOIS

A GROWING COMPANY Has AGENCY Openings!!!

If you are a capable and experienced Life and A&H Insurance Producer ready for advancement to a GENERAL AGENT, you may be able to qualify for CAROLINA HOME LIFE'S GENERAL AGENT CONTRACT which offers—

High Commissions, Excellent Renewals, Override Commission on the business of Sub-Agents, Bonuses for Persistency and Production, And many other wonderful features.

Agency openings in the following states:

North Carolina
South Carolina
Virginia
Florida

Mississippi
Georgia
Arkansas
Tennessee
Puerto Rico

West Virginia
Kentucky
Maryland
Alabama

Write in confidence to:

Carolina Home Life Insurance Company
Agency Department
P. O. Box 1059
Burlington, North Carolina



to utilize the tax advantages indicated in connection with the sale of the policies.

From the very nature of high early cash value minimum deposit policies, including the maximum policy loan feature, it is to be expected that lapse rates will be high as policies get older. Sales illustrations of minimum deposit policies reviewed by this department, with one possible exception, show the current dividend applied first to purchase the requisite one-year term insurance and any dividend residue used to reduce the annual cost.

In fact, the fifth dividend option provides that dividends are generally used to purchase additional insurance and any residue used to reduce the annual cost of the policy. Furthermore, many of the illustrations in use do not make it clear that the indicated cost of the one-year term insurance is not guaranteed.

It is common knowledge in the life insurance business that existing regular policies are being replaced by new high cash value minimum deposit policies. The replacement of existing insurance by new policies is generally

not in the best interest of either insured or insurer because of—among other things—the duplication of such acquisition expenses as medical examination, agent's commissions, and writing the policy.

Replacements At High Level

It is contended that such replacement is at a higher level of activity than in many years. Where replacement has been effected, as it has in many instances, by withholding from the insured information essential to a proper decision, such practice is con-

sidered to be an unfair trade practice and detrimental to the public interest.

Safeguarding Public Interest

On the basis of the foregoing, the following regulation is hereby promulgated in order to safeguard the interests of the public and the industry in maintaining life insurance protection and in order to establish standards to preclude insurers and agents from engaging in unfair methods of competition and unfair and deceptive acts and practices:

1. **High Early Cash Values:** Where, by departure from its regular pattern of computation of cash values, a company provides more favorable policies, the granting of such values is hereby construed to constitute an unfair discrimination between individuals of the same class and equal expectation of life, in contravention of section 209 of the insurance law. Such practice after the effective date of this regulation is determined to be prejudicial to the interests of the company's policyholders and to be unjust, unfair and inequitable under sections 141 and 154 of the insurance law.

2. **Section 213—Limitation of Expenses:** In the case of high early cash value minimum deposit policy loans which provide for discriminatory first-year loan values, it is recognized that the availability of such loan values to reduce the cash outlay otherwise required for first-year premiums is an important factor in the sale of such policies.

Since the company does not receive in cash the full stipulated premiums if the policyholder avails himself of the policy loan, the words "first-year premiums received" on high early cash value minimum deposit policies issued on and after the effective date of this regulation are hereby defined for the purposes of subsection 3a and 4 of section 213 and for the relevant sections of schedule Q, as being equal to the contractual first-year gross premiums on such policies less policy loans granted by the company in connection with or within 90 days after payment of such premiums.

Affects Expense Margins

Any company which has issued high early cash value minimum deposit policy plans shall enter in section (A) of schedule Q its first-year premiums as defined above, and also shall enter such defined first-year premiums in section (C) of schedule Q to calculate the percentage of first year expense limit. Such defined first-year premium, rather than the contractual gross premium, shall be used for comparison with gross premium rates for whole life policies in determining the applicable commission limits. Any such company shall report first-year premiums as defined above as the

MANAGEMENT A CONSULTANTS

O'TOOLE ASSOCIATES
Management Consultants
To Insurance Companies
Established 1945
220-02 Hempstead Avenue
Queens Village 29, N. Y.

CONSULTANTS
IN MARKETING AND
FOR THE
FRANK LANG & ASSOCIATES
ONE NORTH LASALLE ST.
CHICAGO 2, ILLINOIS
521 FIFTH AVENUE
NEW YORK 17, N.Y.

The growth of AAL
benevolence programs in behalf of
Synodical Conference Lutheran church
institutions expands with the growth
of Aid Association life insurance sales.
AAL insurance in force has grown
substantially each year — to a present
record of a billion and a half dollars
... representing 535,000 members
while aiding their churches.



AID ASSOCIATION FOR LUTHERANS
APPLETON, WISCONSIN

race prac-
public in-
t
going, the
reby pro-
guard the
the indu-
rance pro-
lish stand-
and agent
methods of
deceptive
es: Where
regular pat-
values, a
rable pol-
values is
ate an un-
n individ-
equal ex-
vention of
law. Such
ate of this
o be pre-
the com-
be unjust,
er sections
law.
on of Ex-
high early
sit policy
riminary
recognized
such loan
lay other-
premiums
ne sale of
ot receive
premiums
himself of
first-year
high early
it policies
ctive date
y defined
on 3a and
e relevant
ing equal
gross pre-
policy
y in con-
days after
used high
a deposit
ction (A)
premiums
hall enter
miums in
calculate
expense
ar premi-
ual gross
compari-
rates for
ining the
its. Any
first-year
e as the
NT
TS
TES
ts
s
NT
BUSINESS
CIATES
FIFTH AVENUE
YORK 17, N.Y.
XUM

first year's premiums on new insurance in any item in section (D) total field expense limit and section (F) first year field expense limit and section (G) total expense limit of schedule Q.

3. One Year Term Dividend Option: Companies which limit the availability of the "fifth dividend option," also known as the "one-year term dividend option," to certain of their plans are deemed not to comply with section 209 of the New York insurance law, which prohibits unfair discrimination, in failing to make such option available on all policies, or in issuing insurance thereunder at premium rates which are unspecified or are less than their regular premium rates for one-year term insurance. The premium rates for the one-year term insurance must be specified and must be consistent with the company's other term insurance rates. Such premiums are to be reported in schedule T. Where the premium rates are deficient, the necessary deficiency reserves should be maintained.

4. Illustrations and Comparisons: In order that companies and agents may properly carry out their responsibilities under sections 127, 209 and 211 (relating to misrepresentations, misleading statements and incomplete comparisons and discrimination), all companies licensed to do business in New York state are required to issue written instructions promptly to their agents incorporating basic rules and safeguards which are to be observed in the preparation and use of cost illustrations, comparisons, advertising and other promotional material. Such written instructions are required for the protection of the public in order that prospects shall be furnished with a proper, full and clear presentation of the costs, benefits and other policy provisions.

In order to present clearly the decreasing death benefit and increasing cost of minimum deposit policies, illustrations involving the fifth dividend option should indicate the policy duration at which available dividends become insufficient to purchase one-year term insurance equal to the maximum policy loan, and should include the figures for that policy year and at least the succeeding five policy years.

Defines Responsibilities

The home office and the agents are to be responsible to the insurance department for the observance of such rules and the proper presentation of illustrations and other material used in New York state in the sale of policies to comply with the provisions of sections 127 and 211 of the New York insurance law which prohibit misrepresenting the terms, benefits or advantages of any policy or contract, future dividend estimates, misleading representations and incomplete comparisons.

5. Safeguards Against Replacement of Existing Insurance: In connection with all applications for life insurance policies, the company shall have in its files over the signature of the applicant a statement as to whether or not such policies are to replace existing insurance. Where an affirmative answer is given, it is considered in the public interest that an opportunity to present the facts to the insured be given to the insurer which issued the existing insurance so that the insured may have the benefit of all information from both companies as a basis for making a decision in his best interests. It is the responsibility of the company as well as the agent in such cases to make absolutely certain

that there is no incomplete comparison or other violation of sections 127 and 211 of the insurance law.

6. Effective Date: This regulation is promulgated under the authority of sections 21, 127, 141, 154, 209, 211, 213 and 273 of the insurance law and is to become effective on Nov. 1, 1959. If any provision of this regulation shall be invalid, the remainder of the regulation shall not be affected thereby.

Lutheran Brotherhood 6 Months Sales Up 36%. \$1 Billion Mark Passed

Lutheran Brotherhood sales in the first six months of 1959 totaled \$105.5 million, up 36% over the same period last year. Sales in the second quarter were up more than 43%, totaling \$56.7 million this year, compared with \$39.6 million in the same period last year. As of June 30, insurance in force had reached \$1.051 billion.

Knights Of Columbus Has Good Fiscal Year

Knights of Columbus reports insurance in force during its fiscal year ended June 30 reached a record \$889,800,885, and a record gain for one year of \$108,124,298.

Membership also set records for the fraternal. Insurance membership was 403,592; associate membership 711,825, and total membership 1,115,417. Assets are at an all-time high of \$148,401,166.

Conn. Mutual Sales Up 12%

Connecticut Mutual Life sales for the first six months were \$284,833,065, a gain of 12% and a record. June sales showed an increase of 33%. Insurance in force rose to \$4,179,916,237, a half-year gain of \$179,247,882. During the six-month period \$43,285,503 was paid to policyholders and beneficiaries, including \$13,487,751 in death claims.

SECURITY OF DENVER

helps speed production...
increase earnings with



* Security's Planned Agency Development

"Security's Planned Agency Development" program gives:

Development programs for career agents and agency managers with emphasis on the "how."
Field-tested visual and audio-visual aids.
Contracts with high reward for quality production.
Up-to-date policies such as LIPOA* for today's buyer.

...and much more!

Security Life and Accident Company, with over \$600,000,000 insurance in force offers quality plans in Life, Accident and Sickness, and Group.

*LIPOA means Life Insurance Purchase Option Agreement or "Guaranteed Insurability"

Stuart C. Ferris, C.L.U.
Agency
Vice-President

Security Life & Accident Company
SECURITY LIFE BUILDING • DENVER 2, COLORADO

AMERICA'S INFORMAL BUSINESS CAPITAL

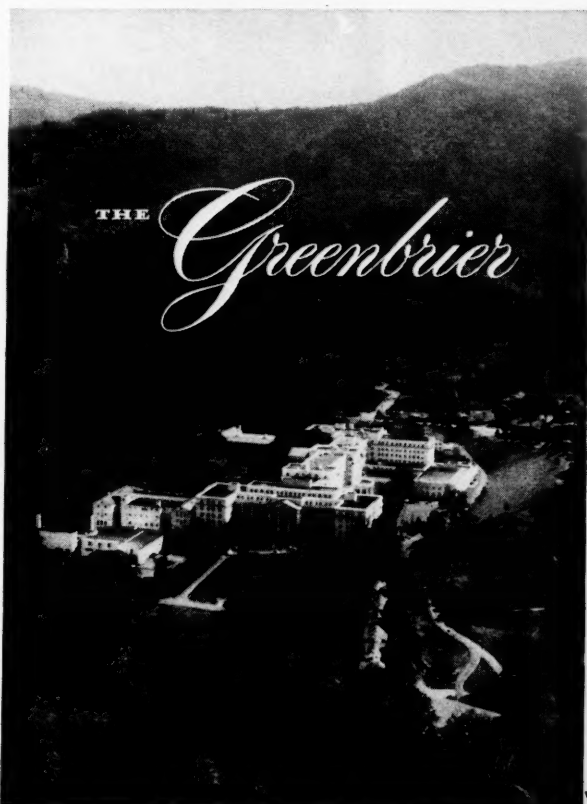
You will find at The Greenbrier the perfect setting for your conference, whether it be for ten or a thousand people. The new, air-conditioned West Wing has an auditorium with a 42-foot stage, new sound and projection machines, splendid banquet arrangements, and a theatre with a CinemaScope screen. Accommodations are magnificent; the food is gourmet fare. For after-session enjoyment The Greenbrier's recreational facilities are unsurpassed. And our staff of experts not only helps in planning your program, but they also handle the details to carry it through successfully.

Special Winter Rates available on request. Include a spacious, luxurious room and The Greenbrier's traditionally fine meals, green fees (our courses are playable much of the winter), swimming in mosaic tile indoor pool, membership in the Old White Club and gratuities to service personnel. EFFECTIVE DEC. 1, 1959-FEB. 29, 1960.

FOR INFORMATION write Charles L. Norvell, Dir. of Sale. Also reservation offices: New York, 17 E. 45th St., MU 2-4300 Boston, 73 Tremont St., LA 3-4497 • Chicago, 77 W. Washington St., RA 6-0624 • Washington, D. C., Investment Bldg., RE 7-2642 • Glen W. Fawcett: San Francisco, 1029 Russ Building, YU 2-6905 • Seattle, 726 Joseph Vance Building, MU 2-1981 • Dallas, 211 N. Ervay, RI 1-6814 • Los Angeles, 510 West Sixth Street, MA 6-7581.



WHITE SULPHUR SPRINGS • WEST VIRGINIA



Booklet Tells Life Insurance Superiority

(CONTINUED FROM PAGE 10)

cites several actual cases, but with names changed to protect policyholders' privacy. One day in the home office, Home Life received from its San Francisco agency an envelope containing three documents. One was an application for life insurance, the other a medical examination report and the third an official notification of death. All three documents carried the name of the same man.

In this story of spectacular "inflation," the man involved was Carl Farley, an attorney in San Francisco. On July 7, he signed an application for \$5,000 face amount of insurance with a 20 year family income benefit. He paid the first quarterly premium of \$31.15 and made an appointment for a medical examination. Because of the press of business, this had to be postponed until Aug. 16.

Three days after the medical, Mr. Farley, his son and a niece were on their way by car for a weekend at his father's summer cabin. A fast-moving truck pulled out of its lane and crashed into the young attorney's car, killing him instantly.

Thus, even before the papers on the case were received by the home office, the policy became a claim. Home Life paid Mr. Farley's widow and three children a total of \$18,283, including \$5,000 as an accidental death benefit—all resulting from the premium of \$31.15.

Herbert Karmine, a 37-year old dentist in Rockford, Ill., was "really too busy" to talk about life insurance but because he didn't want to break his appointment with the Home Life agent, he consented to "just 10 minutes."

Some time later, he signed an application for \$11,000 of life insurance with a 20-year family income benefit and paid a premium of \$231. Six months from that date, Dr. Karmine was dead. The 10-minute interview and a small premium payment meant more than \$36,000 to his wife.

On June 21 in Louisville, Larry Oland, a young army veteran, signed a check for \$76.70 to pay the first premium on two new Home Life insurance policies. One policy was for \$6,300 and the other for \$5,400 with a 20-year family income benefit.

On July 2 the policies were issued and on July 22 Mr. Oland was stricken with polio. He died July 28, a little more than a month from the time he applied for the life insurance. The \$76.70 which Mr. Oland paid created for his widow and young son more than \$24,000—including \$12,790 of family income payments and \$11,400 principal which would be later available as cash or as additional income.

Another policy, in force about five years with premium payments totaling \$1,103 will reproduce income of more than \$21,000 plus \$5,100 available when the income is exhausted.

Included in the booklet is a list of 19 typical early death claims on which the "inflation" ran as high as 39,573% and on only one of which was the inflation less than 1,000%.

Does the stock market really offer an easy solution to the problem of building family security? The Home Life booklet analyzes the factors involved in such an investment program by recounting some actual situations, again with the names altered.

Ralph Keaton, at age 35, had a promising future as an executive of a large Pittsburgh steel mill. Married and the father of three children, he owned \$22,000 of life insurance when the Home Life agent first met him. He understood his need for more family security and bought an additional \$29,500 of life insurance.

Six months later, however, he told the agent he had decided to drop the new policy. Mr. Keaton's company had announced a new savings plan that would allow employees to purchase company stock periodically at a reduced price. Mr. Keaton was excited about the profit potential of the plan and had decided to use his life insurance premium money for this purpose.

Eight months later the client was dead of acute leukemia. Instead of the \$29,500 that his life insurance would have provided, Mrs. Keaton and their young children received \$295.00.

IT PAYS TO SHOP NATIONWIDE GROUP

Wakefern Food Corporation of Elizabeth, New Jersey discovered this when it switched to Nationwide.

Wakefern represents 76 cooperatively owned Shop Rite Super Markets. As in any firm...publicly held or privately owned...Wakefern's management

wanted top-notch health insurance protection to cover its stores at minimum cost.

Nationwide combined the requirements for each store into one flexible plan.

No matter what kind of firm you represent it will pay you

to have a proposal from Nationwide.

Just contact:

Nationwide Group
Sales Department,
246 North High Street,
Columbus 16, Ohio.



Mr. Maurice Blond, (Left) Blumeneranz & Company, agent of record, with Mr. David Angus, Jr., Nationwide Regional Group Manager and Mr. David Silverberg, Director of Special Services, Wakefern Food Corporation.



New Ideas for a New Era

NATIONWIDE MUTUAL INSURANCE COMPANY • NATIONWIDE LIFE INSURANCE COMPANY • HOME OFFICE: COLUMBUS, OHIO

A Service Guide

ACTUARIAL COMPUTING SERVICE, INC.



1389 Peachtree Street
N. E., Atlanta 8, Georgia
P.O. Box 6192, Tel
TRinity 5-6727.

CONFIDENTIAL NEGOTIATIONS FOR SALE OF INSURANCE COMPANIES

RALPH F. COLTON

30 N. LaSalle St. Chicago 2, Ill.
Financial 6-9792

the total value built up by then through the stock purchase plan.

As a market place for the securities of business, the stock market serves a useful and necessary purpose in the economy, Home Life concedes, but it is influenced by many factors—a statement by a political leader in the Middle East, a heavy frost, pending legislation, the results of an election, tax changes, court rulings, the President's health, for example. Rumors of a strike, changes of management, shifts in defense spending, availability of raw materials, competition, product changes, the public's momentary fancy may all cause wide fluctuations in stock market prices.

Quotes Bernard Baruch

"Can the typical busy executive or professional man hope to master the intricacies of the stock market?" the booklet asks. "Financier Bernard Baruch once answered the questions this way: 'If you are ready to give up everything else—to study the history and the background of the market and all the principal stocks as carefully as a medical student studies anatomy—if you can do all that, and, in addition, have the cool nerves of a great gambler, the sixth sense of a clairvoyant, and the courage of a lion, you have a ghost of a chance.'"

"The theory that the value of stocks will vary directly with the fluctuations in dollar purchasing power has caused many investors to see the stock market as an inflation hedge. Ironically, however, one of the worst cases of price inflation exists today in the stock market where shares are selling at prices that bear an extraordinarily high relationship to corporate earnings."

No Definite Correlation

"This is pointed out in a recent issue of the monthly letter published by the First National City Bank of New York. The publication goes on to state that, contrary to popular notion, common stock prices 'do not move up in any systematic way with the cost of living. Indeed, stocks have quite often declined at the same time consumer prices were rising.'"

The booklet includes a table published by the bank showing how the Dow-Jones industrial average stocks have failed to reflect the changes in the cost of living. For example, these stocks went down in value 46% from June, 1901, to November, 1903, while consumer prices were going up 6%. The stock prices went down 49% between March, 1937, and March, 1938, while consumer prices were going down only 1%. From May, 1946, to June, 1949, there was a 24% drop in the Dow-Jones industrial averages and

a 29% increase in consumer prices. The latest figures cited, April, 1956, to October, 1957, show the Dow-Jones industrial averages falling 19% while consumer prices increased 5%.

Security Analysts' Records

"Can the 'experts' help?" the Home Life booklet asks. "Many men rely on 'authoritative information' or 'investment counselors' to guide their stock investment programs. True, the past decade has produced more security analysts and sources of business information than ever before. But let's see how good they are at predicting the movements of the market."

"Some time ago a leading financial newspaper polled a convention of security analysts, asking them to predict where the market averages would be at year's end—then just seven weeks away. Of those responding, 42% predicted that stock prices would be higher, 39% said lower, and 19% expected no change."

Published Researchers' Predictions

"On a recent Sunday, the New York Times published the market predictions of six prominent Wall Street researchers. One said the market 'is sitting in the middle of a see-saw.' The other opinions ranged all the way from a forecast that a 'downward correction of significance' was imminent to the predictions that there would be gains of 10% to 15% in the coming nine months."

"These are the 'experts' who hold sway over thousands of American investors."

"Another widely read business magazine, in a study of investment counselors and their work pointed out that 'the average level of competence is unimpressive.' It went on to say, 'Probably the least impressive product of the analysts is the "market letter" featuring a general stock market forecast. Many of the letters are so weasel-worded . . . that the author can't be charged with any definite opinion; when the opinion is clear, it is often wrong.'"

Big Variety Of Choices

"Can the investor interested in family security risk his savings on this kind of 'authoritative' advice? It appears that there are as many investment courses to follow as there are experts in the field."

The investor who approaches the market in a conservative fashion, pledging that he will buy only the "blue chip" stocks has no guarantee against loss, the Home Life booklet points out, citing the record made by some widely held blue chips through the years to prove this point. It quotes a leading news magazine that in March, 1959, published a list of 18

acknowledged blue-chip stocks, comparing their values in 1929 with 1959, allowing for stock splits and stock dividends. Among the 18 were seven Telephone & Telegraph, 310½ down to that went down in value: American 241½; Western Union, 68 to 36½; New York Central, 256½ to 26½; Chrysler Corp., 67½ to 54½; Radio Corp. of America, 114¾ to 51½; Pennsylvania Railroad 110 to 16½; Woolworth, 103¾ to 55.

Thus, even with the blue chips listed, there were at least seven chances in 18 of sustaining a loss over the 30 years—and a heavier loss had the investor sold during most of this period. Certainly, picking the right stocks at the right time is no simple matter, Home Life comments.

Another point is that many stocks decline in value and even become worthless during periods of surging stock prices. As reported in the First National City Bank of New York's "Business and Economic Conditions," at the end of 1958 more than one-third of all common stocks listed on the New York Stock Exchange were selling below their highs of 1946, 12 years

earlier. It took 16 of the 30 stocks represented in the Dow-Jones industrial average more than 20 years to get back to 1929 highs, and four of the stocks still haven't made it.

"Under the hypnotic spell of the stock market, some men are tempted to base a good part of their family security on income expected from their stock holdings," the Home Life booklet continues. "Unfortunately, the record shows that such plans are based more on hope than on fact."

"The first problem faced by the investor is selection of the right stocks. A study reported by the Research and Review Service of stocks listed on the New York Exchange indicated that, for a given period of 25 years, only 10 of all those listed had paid the same or higher dividends each year during the 25-year period. This is less than 1% of the stocks listed on the exchange. Not many men could confidently pick the stocks that will pay dividends, at current or higher levels, for the next 25 years."

The second half of the report on Home Life's booklet will appear in a later issue.



Prospects, like grapes, can come in bunches...

Funny how many insurance men ignore this fact and go on harvesting prospects the hard way—one at a time.

If you'd prefer to prospect a bunch at a time, get yourself a group case. (It's easy if you use an Occidental Small Group package plan.) You'll automatically have the inside track to individual policy sales among your certificate holders.

Here's another thing. Surveys show that people covered by Group insurance are more apt to buy individual insurance—and in larger amounts—than those not covered by Group.

Why not do *your* prospecting a bunch at a time—with Occidental's Small Group package plans? It's harvest time all the time.

OCCIDENTAL LIFE

Insurance Company of California

Home Office: Los Angeles/W. B. Stannard, Vice President

(A MEMBER OF THE TRANSAMERICA INSURANCE GROUP)

We pay Lifetime Renewals... they last as long as you do!

Over 50 years of Experience
and Service

Over \$1,250,000,000
Insurance in Force
Over \$230,000,000
in Assets

Southland Life Insurance Company

Serving Since 1908
Home Office Dallas, Texas



SOUTHLAND CENTER
Home of Southland Life

Editorial Comment

Talking Past Each Other

"Talking past each other" is something that even highly intelligent people do a lot of the time, so it is not surprising to find it rampant in discussions of whether or not life agents should be permitted to sell mutual funds and the mutual fund salesmen should be allowed to sell life insurance. Upholders and denouncers utter their opinions with far more vehemence than proof. Terms are not defined and only the sketchiest effort, if any, made to state a selling philosophy on which the speaker or writer is basing his conclusion that non-segregated selling of mutual funds and life insurance is good or bad.

This kind of "argument" has little chance of convincing anybody who is not already convinced. It merely goes past those who are opposed or on the fence. The opponents, in turn, rarely bother to pull the argument apart and point out its logical inadequacy; instead, the usual procedure is to attempt to overwhelm the other side with even more vehement statements of opinion, accompanied by very little of what could conceivably be regarded as evidence. That also goes right past its target.

Perhaps the biggest reason why the adversaries so rarely come to grips with each other is that they forget the vast range of the market. This happens not only with the hubbub over dual licensing for the sale of life insurance and mutual funds but in many other controversial areas as well.

Advocates and attackers alike tend to think too much in terms of the limited market that they themselves serve. The agent or general agent serving a wealthy and sophisticated clientele is prone to forget that the methods that work successfully for him would probably bring disaster to most agents who tried to follow such a pattern in a sparsely populated rural area.

The characteristics of the various segments of the life insurance market will necessarily determine to a large degree the kind of agent and sales procedure that will develop in each segment. It would be an oversimpli-

fication to say that each type of market generates the proper type of sales technique and salesman and that hence there is no real moral or ethical question involved. Abuses can arise, particularly in the confusion attendant on rapidly changing market situations and the steps that are taken to meet these challenges.

Nevertheless, it is all too easy to regard as unwholesome and deplorable the developments that take place in one segment of the market simply because they would not be suitable in the particular segment that the deplorer happens to operate in.

A good example of this can be found in the debate over whether agents should sell only life insurance or sell other coverages as well. The agent who deals with a well-to-do market will very likely find that he can make more money and perhaps do it with greater satisfaction to himself by a high degree of specialization. On the other hand, the agent who is not equipped by contacts, background or inclination to work in such a market may find that he does better by taking care of all insurance needs—fire and casualty as well as life—to the greatest extent possible.

The specialist may look down his nose at the general practitioner but he has no real reason to do so, any more than the general practitioner has just cause for considering that the specialist is over-specializing.

Finally, aside from questions of right and wrong, or likes and dislikes, there is the hard economic fact that markets, whether in the insurance business or elsewhere, tend to shape the kind of selling that will be done in them. There has always been a considerable range to the life insurance market, but in recent years the trend has been toward a vastly broader range. Hence, it was inevitable that the limited range of selling patterns that prevailed years ago should proliferate into today's multifaceted sales methods. The specialist has become more specialized and the general practitioner's practice has become broader. This is a trend that can be expected to continue and, bar-

ring the prevention of actual, provable evils, there seems to be no sound reason for obstructing it.—R.B.M.

Personals

Stanley M. Richman, public relations vice-president of General American Life, has been named public relations committee chairman for the 1959 St. Louis United Fund Drive. He will coordinate all promotion and information aspects of the drive, which is slated to raise over \$8 million.

Dr. Karl W. Anderson, vice-president and medical director of Northwestern National Life, last week was awarded a bronze plaque and an appropriately inscribed barometer at the annual meeting of the Minnesota Heart Assn. in recognition of his work as president of that group for the past year.

Donald J. Reap, vice-president and counsel of the Teare agency of Continental Assurance at New York, has been promoted to lieutenant-colonel in the army reserve. He is a former assistant editor of THE NATIONAL UNDERWRITER.

Deaths

SAMUEL B. REED, secretary of the claim department of Connecticut General Life, died at Hartford. He joined the company in 1930 as an agent at Wilkes-Barre and was transferred to the home office claim department in 1941. He became secretary of that department in 1955. Mr. Reed was a former vice-president of International Claim Assn.

CORNELIUS J. SHEA, 77, president and founder of State National Life of St. Louis, died there of hepatitis. He organized the company as a stock legal reserve insurer in 1928. Prior to World War I, he had been president of a pioneer air mail service at St. Louis.

RAYMOND DEWEY TERRY, 61, vice-president and secretary of Domestic Life & Accident, died at his home in Louisville. He joined the company in 1935.

FRANK A. SAVAGE, 57, retired vice-president of Provident Mutual Life, died at his home in Philadelphia.

Dougherty Is Agent, Forum Speaker At NALU Annual Convention

Charles G. Dougherty, vice-president in charge of insurance and public relations of Metropolitan Life, will be a speaker at the agents' forum on Tuesday evening at the 1959 annual convention of NALU in Philadelphia, Sept. 20-25.

The title of Mr. Dougherty's speech will be, "Life Insurance and Mutual Funds—Competitive or Complimentary?"

Others participating in the forum will be Edward B. Burr, executive vice-president of the One William Street Fund, New York; Moyer Kuhn, vice-president and director of the Wellington Fund, Philadelphia, and Dan M. McGill of the University of Pennsylvania who will be moderator.

Indiana Assembly Has Insurance Study Group; Townsend Is Chairman

An insurance study committee of Indiana general assembly has been appointed by the legislative advisory commission. The committee elected J. Russell Townsend, general agent, Equitable of Iowa, Indianapolis, and a state senator, as chairman.

Mr. Townsend announced a partial list of nine tentative areas of study: Functions, operations, and possible changes in the state insurance department; organization of new companies; operations of companies, including field organizations and sales practices; claim procedures, and related subjects; automobile insurance—merit rating, claim practices, etc.; fire-casualty—multiple coverage policies; life insurance—group limits, "over-the-counter" sales, variable annuities; hospitalization insurance—coverages, and plans for older persons; group insurance for state employees, and credit insurance.

Creative Selling Needed Waco Agents Are Told

"Increasing Your Income" was discussed by James A. Cunningham, vice-president American Founders Life, at the July meeting of Waco Assn. of Life Underwriters. Mr. Cunningham stressed the importance of creative selling along with alertness to changing insurance needs of clients and prospects. He called attention to sales opportunities opened up by the promotion of a client or prospect; the buying of a home; or the birth of children.

Some of the methods he suggested for increasing the agent's income were additional policies where the need is indicated; a "stairsteps program" for retirement which shows the insured the importance of adding insurance at each anniversary date, or using social security benefits as a base for determining adequate insurance.

Mr. Cunningham emphasized that a deep-rooted belief in life insurance is necessary if the agent is to convince others of its value. A substantial amount of insurance on his own life is the agent's best expression of such belief, he added.

Republic National Has New Plan

Republic National Life of Dallas has a new executive accident plan. The plan provides \$25,000 accidental death benefit plus \$500 a month for loss of time resulting from accidental injury and continuing as long as the policyholder is totally disabled.

THE NATIONAL UNDERWRITER

The National Weekly Newspaper
of Life and A&S Insurance



EDITORIAL OFFICE

17 John St., New York 38, N. Y.
Tel. BEekman 3-3958 TWX NY 1-3080
Robert B. Mitchell, Executive Editor
William Macfarlane, Assistant Editor

CHICAGO EDITORIAL OFFICE

175 W. Jackson Blvd., Chicago 4, Ill.
Tel. WAabash 2-2704 TWX CG 654
John C. Burridge, Associate Editor
Richard G. Ebel, William H. Faltyssek and
R. R. Cuscaden, Assistant Editors
Marjorie Freed (production) and
Barbara Swisher, Editorial Assistants

OFFICERS

John Z. Herschede, President
Louis H. Martin, Vice-President
Kenneth O. Force, Vice-President
H. P. Gravengaard, Vice-President
Robert B. Mitchell, Vice-President
George C. Roeding, Vice-President
James C. O'Connor, Secretary
Joseph T. Maloney, Treasurer

ADVERTISING OFFICE

175 W. Jackson Blvd., Chicago 4, Ill.
Tel. WAabash 2-2704 TWX CG 654
Raymond J. O'Brien, Advertising Manager

BUSINESS OFFICE

420 E. Fourth St., Cincinnati 2, Ohio
Charles P. Woods, Sales Director

REGIONAL SALES MANAGERS

Fred Baker, Atlanta
Paul Blesi, Cleveland
Alfred E. Cadis, Dallas
David Chapman, Des Moines
J. T. Curtin, New York
Dana L. Davis, Boston
Robert Ebelhardt, Denver
William J. Gessing, Detroit
Clarence W. Hammel, New York
Roy H. Lang, Boston
Howard J. Meyer, Minneapolis
Raymond W. Rieke, Los Angeles
William D. O'Connell, Chicago
George C. Roeding, Cincinnati
A. J. Wheeler, Chicago
Robert J. Wiegand, Chicago
George E. Wohlgenuth, St. Louis
Robert I. Zoll, Philadelphia

SUBSCRIPTIONS: 420 E. Fourth St., Cincinnati 2. \$7.50 per year (3 years, \$20); Canada \$8.50 per year (3 years, \$23); Foreign \$9 per year (3 years, \$24.50). 30 cents per copy, back copies 50 cents. CHANGE OF ADDRESS: Enclose mailing wrapper and form 3579 with new address, and allow three weeks for completion of the change.



NALC Seeks To Amend Income Tax Law

(CONTINUED FROM PAGE 1)

vestment income and/or profits from any source whatsoever derived from pension profits if they should be transferred either to the surplus of the company or used in the payment of dividends to any other classes of policyholders whatsoever.

At the business session Don J. Will-



P. L. Carter, president Pioneer Life & Casualty of Gadsden, Ala., with Ellis Arnall, chairman of Coastal States Life.

mon, president of United Bankers Life, was elected NALC president. Other officers elected were Ellis Arnall, Coastal States Life, chairman; Herbert L. Thomas Jr., First Pyramid, secretary; B. L. Carter, Pioneer Life & Casualty, treasurer; John Wilkins, Citizens National, chairman of the executive committee; and as vice-presidents, W. L. Bryan, Georgia Life & Health; J. R. Cissna, Federal Old Line; George T. de Hueck, American Insurers General Life; Phillip B. Duncan, Alaska Western Life; Louis M. Gregory, Lee National; Homer O. Martin Jr., Intercoast Mutual; James E. McDowell, Great Western Life; William H. McLean, American Standard Life; Forest G. Ray, Guaranty Income Life; J. C. Scott, Bankers Service Life; W. P.



Claude H. Poindexter, president Coastal States Life and one of the organizers of NALC, with Mrs. Poindexter.

Strube, Mid American Life, and Wyman Zachary.

Directors elected were G. T. Holland, Tennessee Valley Life; Roy A. Foan, American Travelers Life; Herbert L.

William N. Stanus Jr., vice-president in charge of reinsurance of Republic National, with Ira J. McGuire, executive vice-president Security Life & Accident of Denver, and J. Virgil Cottle, assistant vice-president of Republic National. Republic National was host at a reception for NALC members.



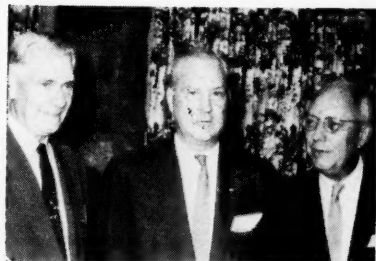
Thomas Jr., First Pyramid; D. Roy Domingue, Washington Life of America, and R. H. Wallace, National Life & Casualty.

Ellis Arnall, Coastal States Life, who was luncheon speaker, named two problems which face smaller life companies—"one-state regulation of the industry and monopolistic pressure to prevent free experimentation by growing companies."

Mr. Arnall said, "Added together they mean an ultimate end to state regulation; they mean an ultimate end to free competition; they mean an ultimate federal control of the entire industry and finally nationalization of the life insurance industry in one way or another."

One-State Domination

"Unless companies are free to offer to their policyholders the kind of contracts their policyholders want and need and can pay for, the life insurance industry is going to get year-by-year less of the savings of Ameri-



NALC leaders: John Wilkins, president Citizens National of Indianapolis, outgoing president; D. J. Willmon, president United Bankers of Dallas, the new president, and DeWitt Robert, executive secretary of NALC.

cans and is going to have year-by-year an increase in its lapse rate. These two highly important statistics for the last five years are revealing. We are already getting less of the savings; we are already getting more of the lapses.

"Unless the industry stands firm and the state regulatory officials in 49 of our 50 states show courage and statesmanship, one-state domination of the insurance picture is going to result in increasing centralization of the industry. This extra-territorial technique of a single state, aided by a handful of allies, is going to wind up in the end of state regulation altogether."

Barred From Markets

Mr. Arnall maintained that life companies in Colorado, Louisiana, Florida, Georgia, Nevada, Tennessee and Kentucky are "second-class citizens of the United States. That they may be

WE SAID IT.... AND WE'RE GLAD!

THE QUESTION WAS:

JUST WHERE DO WE STAND
ON "AGENTS' RETIREMENT"?

OUR ANSWER WAS
(AND IS!):



We believe that the men and women who devote their full time and talents to life insurance selling should have the opportunity to achieve the same degree of financial independence they offer their clients.

Our Agents' Retirement Plan gives more than lip service to this belief. The plan, which is optional, is based upon regular deposits by the agent which are duplicated by the company. Regular retirement income, provided minimum service requirements are met, can start as early as age 55. Lifetime renewals, which continue after retirement, supply additional "take-it-easy" dollars.

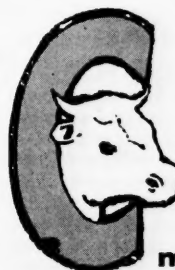
Yes, when it comes to the agents' retirement question, we believe that the cobbler's children should wear shoes! To further this concept, we'll gladly send details of our own plan to any company which may be considering a similar program.



This series of advertisements first appeared in 1947. Since then, we've grown from \$1½ billion to \$2½ billion in force. Our philosophy has not changed... our size has quintupled. We like to think these and other basic beliefs had something to do with it.

CALIFORNIA-WESTERN STATES LIFE INSURANCE COMPANY

HOME OFFICE: SACRAMENTO



new developments in

CATTLE

RAISING

mean a more productive South

Today, the South is the fastest-growing cattle raising section in the nation. Beef yields of 500 to 600 pounds per acre are common on improved pasture, with yields as high as 1,200 pounds per acre on irrigated pasture. AND... milk production now ranks fourth as a source of farm income in the South.



LIFE INSURANCE COMPANY OF GEORGIA

SERVING THIS FAST-GROWING
REGION SINCE 1891



W. N. Stannus, vice-president in charge of reinsurance of Republic National, with Sen. Estes Kefauver of Tennessee.

stronger, that they may be better managed, that they may be more progressive, that they may be more efficient, that they may be better attuned to the times, means nothing. They are barred from markets, while their own markets are open to monopolistic competitors."

He said that he believed, and that he thought the majority of NALC

members went along with him when he said, "Free competition is the one defense that capitalism has in these days. The highly competitive life insurance industry, especially the smaller, growing, progressive companies, must not be strangled, unless, understanding fully the dangers, they decide clear-eyed that we want nationalization of the insurance industry."

Three Issues

In his presidential address, John Wilkins, Citizens National, reported that NALC during his tenure was concerned with three significant issues. On one, the association won a complete victory; on another it did pretty well, but not as well as it wanted to; and on the other, he said, "We took a pretty bad beating."

In the first issue, the commissioners 1958 mortality table, Mr. Wilkins said, "When NALC asked National Assn. of Insurance Commissioners and the industry to take a breathing spell and actually examine X-17 before precipitantly adopting it and forcing it upon the entire industry, there were elements in the industry and a few among regulatory authorities that were criti-

cal. Before the examination of X-17 was complete, there was 100% approval and very widespread gratitude to NALC for having had the responsible conservatism, sound judgment and broad vision requisite to assume the entire leadership of the industry in this question and prevent a possible crisis and near tragedy for every company in America."

Not A Good Bill

About the second issue, the federal income tax law, Mr. Wilkins characterized the bill as passed as, "not a good bill. The only thing we can say for it is that it is not as bad in its final version as it was when it first passed the House."

"On an industry-wide basis, we did not get what we wanted or what the industry needs. We are convinced that after four or five years at the longest, the Treasury and Congress will return to the basic thesis that NALC laid down, or turn to separate measures for stock and mutual companies and junk the measure that was adopted this year."

"However, we obtained reasonable treatment for the smaller companies and, where the very young companies are concerned, we won a complete victory and obtained for them concessions that are sufficient to enable them to get into effective competition without being strangled at birth."



Robert E. Igleheart, executive vice-president Guaranty Savings Life, and James H. Horn, former Alabama commissioner now with Southern United Life.

son, becomes wicked and dangerous when practiced by small companies on the shores of the DePee or the Chatahoochee or the Columbia."

A panel, made up of insurance commissioners discussing state regulations included Paul A. Hammel, Nevada; Edwin Larson, Florida; Rufus D. Hayes, Louisiana; Sam N. Beery, Colorado; C. P. Thurman, Kentucky; D. Cravey, Georgia; Joe B. Hunt, Oklahoma, and Harvey G. Combs, Arkansas.

Sen. Estes Kefauver of Tennessee was the speaker at the annual banquet.

Mutual Benefit Life Total Sales Gain \$79 Million In The First Half Of 1959

Ordinary and group sales of Mutual Benefit Life totaled \$349,809,923 for the first six months, an increase of \$79 million. Ordinary life issued during the first half of the year amounted to \$283,986,428, an 18% gain. Group sales were \$65,823,495, up 115%.

Leading agency at mid-year is the Huber agency at New York with \$14,807,072 of new ordinary business, an increase of \$3,879,225. In second place is the Nasham agency, also at New York, with \$14,269,224 of ordinary business, up \$7,376,894. The Rosenbaum agency at New York ranked third with new business of \$13,390,548, a \$6,660,079 gain.

O'Mahoney Unit Asks More

WASHINGTON—The Senate antitrust and monopoly subcommittee has asked the Senate for \$425,000 to continue its activities. This is \$300,000 more than was appropriated in February, this year.



Ellis Arnall, chairman of Coastal States Life, former governor of Georgia and the leader in the organization of NALC, with Mrs. Estes Kefauver whose husband is U.S. Senator from Tennessee and is chairman of the Senate anti-monopoly subcommittee which is, among other things, looking into insurance activities under public law 15.

Skog
says...



H. P. SKOGLUND, President

Times have changed

Whenever I see one of today's modern homes I'm reminded of this story. It seems a wealthy businessman decided to build a summer home in a small northwoods town. Anxious to get the job completed, he arranged for the town's venerable but able carpenter to handle the construction.

He was surprised, however, to have his architect's blueprints returned by the local craftsman along with a note saying the plans were in error. After carefully re-checking the plans with his architect, and finding them correct, the businessman sent them back to the carpenter along with the terse notation: *Please build according to plan.*

A few days later the following telegram arrived on the businessman's desk: "I'll build it this way, but don't blame me if you end up with two bathrooms!"

Well, I don't know how modern your home is facility-wise, but I do know a modern way you can safeguard it in case of financial emergency. It's with North American's *Home Protector Plan*. This plan protects you in two ways. One—it pays off the mortgage if you don't live to do it yourself. Two—the plan takes care of your mortgage payments if you're disabled by sickness or accident. It's the modern way to insure that your family keeps the home you're buying them. Find out more about it.

Call on the North American representative in your area.

HELP in paving the way for successful interviews is provided North American field men by newspaper ads like this appearing nationally in Nalac markets.

It's one way Nalac's CONFIDENT LIVING* approach is working to assure CONFIDENT SELLING for its men. Complete portfolio of Life and S&A. Ask for Brochure BO-321.

*Exclusive North American service mark

Over
\$3½ Billion of
Life Insurance
in Force.

Home Office:
Minneapolis, Minnesota
Canadian Head Office:
Hamilton, Ontario



NORTH AMERICAN
Life and Casualty Company

H. P. Skoglund—President J. E. Scholefield, CLU—Vice President, Director of Agencies

NORTH AMERICAN INSURES CONFIDENT LIVING

Finds Anti-Keogh-Simpson Arguments

(CONTINUED FROM PAGE 6)

venue loss under HR 10 at \$365 million on a full year's basis. About \$100 million of this revenue loss would be accounted for by the extra deductions granted to those already 50 years of age or over on the effective date of the bill. These estimates assume that actual deductions would be only a part of the maximum allowable, ranging from 15% of the maximum for taxpayers with less than \$3,000 of income to 66% of the maximum for those with more than \$20,000 of income.

Comment has been received to the effect that because of the uncertainty regarding the extent to which eligible individuals will participate in the plans, the Treasury's estimate of the revenue loss is high and that the actual revenue loss will be lower. It is suggested that many self-employed persons will not be able to take full advantage of the legislation and still keep up their normal expenses.

Based On Partial Utilizing

In this connection it is well to reiterate that the revenue estimate was based on the assumption that the actual deductions would be only a part of the maximum allowable, and that self-employed persons with more than \$20,000 of annual income would use only two-thirds of their maximum allowable deduction. On this assumption, it is nevertheless estimated that self-employed persons with incomes of \$20,000 or over would receive about \$200 million, or about 55% of the total tax reduction.

The revenue loss could very well be larger than our estimates. The fact that the bill would grant tax deductions for investments in a wide range of assets, including stocks, government bonds, and specified types of insurance and annuity contracts, coupled with the fact that the bill would not require such investments to be financed out of current earnings, suggests that there might well be close to maximum utilization of the benefits in the higher income brackets.

Would Be Precedent

The adoption of HR 10 in whatever limited or modified form might well constitute a precedent for widespread tax relief for savings which would further erode the tax base. It should be pointed out, however, that the same argument as to discrimination cannot be made in every case involving employees as is available to the self-employed. Under the private and government pension plans, while the employee's contributions are not deductible, the contributions by the employer are not currently taxed to the employee.

In addition, in the case of social security and railroad retirement, the benefits when paid are tax-free. On the other hand, there are many employees who have no coverage under private or government pension plans or, while covered, have inadequate coverage as compared with the benefits proposed under HR 10. Furthermore, as previously noted, employees covered by pension plans frequently have no vested rights in the contributions made on their behalf by the employer and lose such benefits should they leave their employer.

Under earlier versions of the bill before us, more widespread coverage was provided. The bill was subsequently limited to the self-employed because of objections from the Treasury based on the revenue impact and because employees at least potentially may benefit from private and public pension plans established by their

employers whereas under the tax law self-employed individuals do not have the potentiality of tax benefits available to employees to provide retirement income.

However, proponents of the bill have observed that sooner or later the pensionless employees who are forced to provide their own retirement are entitled to the same right of tax deferment on the portion of their earnings so used as their more fortunate colleagues who are provided for by their employers under qualified employee pension plan.

Moreover, it has been suggested that, as the revenue permits, those inadequately covered under qualified employee pension plans should be given an opportunity to supplement such benefits by being able to participate in a limited way under the bill. Thus, in all likelihood, adoption of HR 10 will be used as a precedent for more widespread tax relief in this particular area, with pressures to permit the deduction of employee contributions to public and private plans.

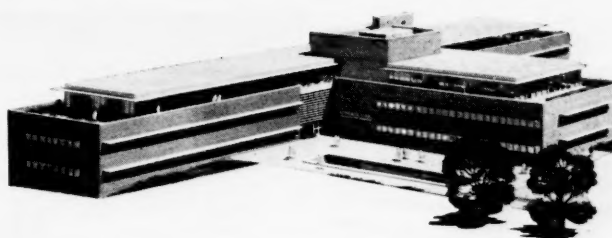
Could Total \$1.2 Billion

If the benefits of HR 10 are extended to all employees not covered by pension plans, the additional revenue loss under HR 10 would amount to more than \$1.2 billion. If the benefits are further extended to inadequately covered employees, that is to say, covered employees with the employer's contribution deducted from the allowable limit, the additional revenue loss would amount to about \$500 million. The over-all revenue loss would accordingly be in excess of \$2 billion, taking into account the three separate classes of (1) self-employed, (2) pensionless employees and (3) inadequately covered employees.

Other revenue estimates based on different approaches or broader coverage were previously submitted to this committee in our report of Feb. 16, 1959, on this legislation. If tax deductions for the retirement savings of other groups, including employees' contributions under private pension plans and under the social security, railroad retirement, federal, state and local civil service retirement programs, were permitted, the revenue loss would amount to over \$1.3 billion. Alternatively, if all taxpayers were allowed deductions for retirement savings up to 10% of their adjusted gross income or \$2,500 a year, with the maximum also raised for persons over 50 years of age, as provided in the bill, it is estimated that the revenue loss would be \$3 billion a year.

As stated at the outset, we will shortly appear before this committee requesting an extension of certain corporate and excise tax rates. We cannot at this time support a major tax reduction bill. We recommend that the tax treatment of retirement savings be carefully considered in conjunction with the ways and means committee's announced plans for an extensive inquiry into the opportunities for constructive reform of the federal tax system, a project in which the Treasury is cooperating.

The committee will investigate the practical possibilities of broadening the tax base sufficiently to permit significant reductions in individual and corporation income tax rates, without sacrificing the revenues needed by the government. Problems relating to retirement, including pension and profit-sharing plans, are included in this inquiry.



Now...South Carolina's **FIRST** Billion-Dollar Life Insurance Company

Liberty Life now is providing a billion dollars in life insurance protection for individuals, families, and businesses in South Carolina and throughout the Southeast.

More than ever before in its 54-year history, Liberty Life is helping to meet the insurance needs of this progressive region...and to provide vital capital support for its continued development.



**LIBERTY LIFE
INSURANCE COMPANY**

Home Office:
Greenville, South Carolina

FIDELITY

A WELL-BALANCED COMPANY

FLEXIBLE INCOME FOR LIFE CONTRACTS

Optional deferred maturity provision, offers . . .

- at original maturity date, policyowner can defer settlement for up to five years and leave proceeds with the Company to accumulate at guaranteed interest.

- at any time within this five year period he can:

Draw out cash value plus interest.

Start receiving monthly retirement checks under any of six optional modes of settlement.



**The
FIDELITY MUTUAL
LIFE INSURANCE COMPANY**

THE PARKWAY AT FAIRMOUNT AVENUE
PHILADELPHIA, PENNSYLVANIA

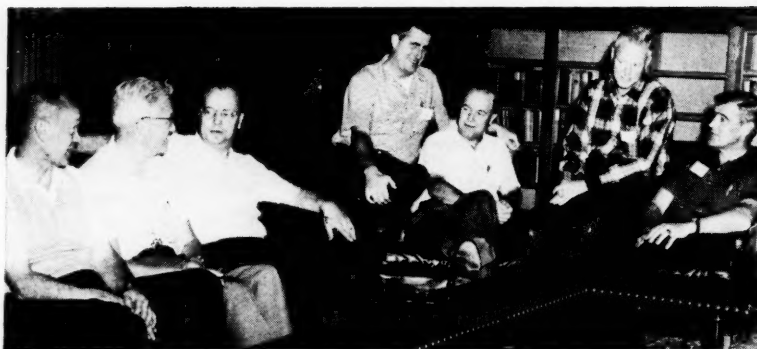
Seeks Answers On Unclear Points Of N. Y. Regulation 39

(CONTINUED FROM PAGE 1)
hereby construed to constitute an unfair discrimination. . ."

Another cloudy area is the extent to which the foregoing provision is meant to operate extraterritorially. The department's covering letter, addressed to "all life insurers authorized to do business in the state of New York," contains this paragraph:

"Pursuant to this regulation issuance of high cash value—minimum deposit policies in this state should be discontinued before Nov. 1, 1959, when the regulation becomes effective. Prior to that date, approval will not be given to any new policy form to be delivered in New York State providing high early cash values which result from a departure from the company's regular pattern of computation of cash values on essentially similar plans."

Does this mean that a company can issue in another state the kind of policy that the New York department brands as discriminatory without being hauled up on the carpet by the New York superintendent, as long as it doesn't issue the contract in New York? Or would the department forbid this as discriminating against New York buyers? And if it did, would it have sound legal basis for the ban?



Insurance company officers take a few minutes out for a break during the intense six-week study course of Columbia University's executive program in business administration at Arden House, Harrison, N.Y. The program, a part of the graduate school of business, is a concentrated short-term course covering problems in internal administration, economic forces affecting business leadership and effective executive action. From left are Dale E. Taylor, executive vice-president Atlantic Mutual; George McNamara, associate actuary Mutual of New York; J. B. McClintock, director of administration operations Nationwide Mutual companies; Donald E. Meades, 2nd vice-president New York Life; Alexander Hutchinson, 2nd vice-president Metropolitan Life; James H. Torrey, 2nd vice-president, securities department, Connecticut General, and Howard A. Austin, 2nd vice-president Prudential.

Provision No. 2 of the regulations penalizes a company's margins under section 213, the expense limitation section, where a policy is sold on the minimum deposit basis. It says that "in the case of high early cash value minimum deposit policy plans which provide for discriminatory first-year loan values" the expense margins are

to be computed by figuring only the net cash paid in—that is, contractual premium less the loan—as the actual premium.

Since the reference is to "minimum deposit basis," does it mean that a basis involving somewhat more than the bare minimum would be free from this provision?

Incidentally, there is yet to be solved the question of the department's legal authority to place this radical modification on the definition of "premium" for purposes of section 213. There have been indications that some insurers might go to court over it.

One-year Dividend Option

Provision No. 3 says that "companies which limit the availability of the fifth dividend option, also known as the one-year dividend option, to certain of their plans are deemed not to comply with section 209 of the New York insurance law, which prohibits unfair discrimination, in failing to make such option available on all policies or in issuing insurance thereunder at premium rates that are unspecified or are less than their regular premium rates for one-year term insurance."

But if a company should make the fifth dividend option available not to "certain" of its plans but to all plans, would it then be permitted to continue issuing the term coverage at rates "which are unspecified or are less than their regular premium rates for one-year term insurance"? Since all of provision No. 3 deals only with application of the option to "certain" plans, the entire provision would seem not to apply where a company does not limit the option to any particular plans but applies it across the board.

Studying Process Goes On

Companies affected by the rules are still in the process of studying them to determine what they mean and how to live under them, so the foregoing list of ambiguities may well be augmented in the next week or so. The companies only received the copy of the regulation on Monday of this week.

MANAGERIAL POSITION AVAILABLE

A Major Life Insurance company wants experienced life underwriter in managerial position for big Southern City. To recruit-train agents—no travel. Salary and over-riding commissions. Opportunity for further advancement. Reply Box H-88, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ACCIDENT AND HEALTH UNDERWRITER

Individual policies. 2 or more years experience. Advancement Opportunity. Old mid-western company. Reply Box H-99, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

LEGAL DEPARTMENT HEAD NEEDED

Medium sized 55 year old Midwestern Life and A & H company needs Associate Counsel to head its Legal Division. Must be currently employed in Legal department of a Life and/or A & H company. This is a fine opportunity. Strictest confidence promised all applicants. Send résumé to Box H-97, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ACTUARIAL OPPORTUNITY

Billion dollar company with rapidly expanding Group Division has excellent opportunity available in Group Actuarial Department. Prefers Associate or near-Associate with some Group experience.

Submit details of qualifications and experience. Address reply to:

**John S. Moyse, Group Actuary
Commonwealth Life Insurance Co.
Louisville 2, Kentucky**

All replies held in strictest confidence.

LIKE TO RECRUIT?

Progressive mid-western, non-par Company wants an experienced life (A & S experience helpful, too) who likes to recruit. We are committed to an expansion plan that calls for more new General Agents than our present Field Force can provide. If you have a talent for spotting young men who have the potential to head their own Agencies, this may be a great opportunity for you. It is not necessary to live in Home Office city. Write in confidence giving details of experience and salary desired. Reply Box H-98, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

INDIANA Home Office

Regional Superintendent

Well established midwest Life Company wants man capable of Recruiting and Supervising new agencies as well as further development of present agencies. Prefer a man acquainted or residing in Indiana. Substantial salary, expenses and liberal overwriting. Replies held in strict confidence. Send complete résumé to Box H-77, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

LIFE OFFICE MANAGER

A well-known Accident and Health Insurance Company in northern California, now expanding its life insurance operation, has an excellent opportunity for a young man with experience in life insurance administrative procedures at the Home Office. Salary commensurate with experience. Please give a complete summary of your personal and business background including age, education, expected salary, etc. Box H-92, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Albert Adams Blasts Reuther Testimony On Forand Measure

(CONTINUED FROM PAGE 1)
1950 to support his charges, Mr. Adams recalled the statement then made by the labor leader, in which he said, "the extent that we can increase the federal social security program and get it to where it is adequate, to the extent we will deemphasize our private plans and minimize their importance and ultimately wipe them out completely. If we can get security at the federal level for everyone, including our own people, there will be no need for the private plans."

In his letter, Mr. Adams told Mr. Reuther, "I am not aware of anything that you have said or done since then to indicate you have deviated one whit from your goal of having the federal government wipe out the life insurance business and making the citizens of this country wards of the state."

Not Opposed To Social Security

Mr. Adams made it clear that NALU is not opposed to the social security as originally conceived as a "basic floor of protection against want."

On the other hand, he said, NALU is against its over-expansion. It was NALU's effort to hold the line against over-expansion and extensions, such as the Forand measure, that triggered Mr. Reuther's contention that the association views social security as "socialistic." Mr. Reuther made the allegation in his testimony before the House ways and means committee.

Mr. Adams, in his letter, noted that NALU had used the term "socialistic" during social security hearings in 1956 in a direct reference to the philosophy expressed in a statement attributed to the old Social Security Board, which was, "Social security and public assistance programs are a basic essential for attainment of the socialized state envisioned in democratic ideology, a way of life which so far has been realized only in slight measure."

Program Necessary, Desirable

Mr. Adams noted, "Of course, I think it cannot be denied that even the present social security program is 'socialistic' since it is owned and run by the government."

"Nevertheless—right or wrong—most of us in the life insurance business have long since agreed that this particular 'socialistic' program serves a necessary and desirable purpose in our modern economy, so long as it allows for the co-existence of the life insurance business and the other private thrift institutions and does not lead the nation down the road to fiscal insanity and insolvency."

Pa. Lifts Restrictions On Limited Life Companies

HARRISBURG—Gov. Lawrence of Pennsylvania has signed a bill passed by the legislature which permits expansion of limited life companies formed under a temporary law in 1957. The new law lifts limitation restrictions on these companies as follows:

In the case of a stock company when it reaches a capitalization of \$300,000 and has a surplus at least equal to 50% of the capital.

As for mutual companies, they may leave limited life status when they have total insurance in force of not less than \$1 million on not less than 400 lives and a surplus of \$200,000.

State Chairmen Have Been Named For NALU's Headquarters Fund-Raising Campaign

(CONTINUED FROM PAGE 4)

Whitlaw, Occidental of California, Oklahoma City; Harry Hines, Great Southern Life, Albuquerque, O. P. Schnabel, Jefferson Standard, San Antonio; M. Lakin Hunter, John Hancock, Denver.

Area IV—S. B. Starrett, Guarantee Mutual, Omaha, chairman; N. C. Day, Equitable of Iowa, Davenport, Ia.; Ralph Wilcott, Business Men's Assurance, Chanhute, Kans.

Area V—F. G. McNamara, Old Line Life, Waukesha, Wis., and J. A. Ste-

wart, Phoenix Mutual, Cleveland, co-chairmen; E. C. Schroder, New England Life, Appleton, Wis.; C. T. Wardwell, Connecticut Mutual, Peoria; Gilbert Wellman, Commonwealth Life, Lima, O.; R. A. Stewart, Ohio State Life, Muncie, Ind.; Marvin E. Muilenberg, New England Life, Grand Rapids.

Area VI—D. M. Blumberg, Massachusetts Mutual, Knoxville, and R. S. Clayton, Liberty National, Mobile, co-chairmen; J. H. Widener, Commonwealth, Nashville; C. G. Johnson, Fidelity Union Life, Jonesboro, Ark.; C. E. Thomas Jr., New York Life, New Orleans; J. T. Ruby, Commonwealth Life, Louisville.

Area VII—E. H. Hicklin, Occidental of Raleigh, Burlington, N. C., chairman; J. R. Cook, Life of Virginia, Atlanta; J. D. Bissette, Life of Virginia, Rocky Mount, N. C.; J. G. McGlinn, Mutual Benefit Life, Miami.

Area VIII—J. Z. Schneider, Connecticut General, Baltimore, chairman; Edward Russo, Northwestern Mutual, Baltimore; F. B. Francis, Wilmington; C. C. Smith, Mutual Benefit Life, Washington; Norris Maffett, Connecticut Mutual, Philadelphia.

Area IX—E. M. Putnam, National Life of Vermont, Rochester, N. Y., chairman; Robert Lawrence, Metropolitan Life, Irvington, N. J.; A. L. Sullivan, Fidelity Mutual, New York; Anthony Esposito, Metropolitan Life, Greenwich, Conn.

Area X—R. B. Walker, New York Life, Hollywood, Fla. chairman; J. P. Shine, New York Life, Manchester, N. H.; Bernard H. Zais, Connecticut Mutual, Burlington, Vt.

State and local association fund-raising chairmen will meet with the national fund-raising committee at a briefing session on Sept. 23 during NALU's annual convention.

Judge Medina Addresses A.A.L. President's Club

United States Circuit Judge Harold R. Medina recently addressed the 425 members and wives of Aid Assn. for Lutherans' President's Club at the club convention at Colorado Springs. His subject was "A Look At America."

Five representatives were awarded a special president's club key by AAL President Walter L. Rugland and Agency Vice-President George V. Krampien. First-time million dollar producers are Robert Shafer, Vincennes, Ind.; Ernest Weick, Bismarck, N.D.; LeRoy Klemm, Wykoff, N.J.; Vernon Tagatz, Eau Claire, Wis., and Gerald DeLoye Sr., San Gabriel, Cal. President's Club keys were also presented to 45 members who qualified for the first time. Prior to presentation of the awards, President Rugland spoke on "Freedom—Our Heritage." Club President Shafer presided over the business meeting.

Publisher Of Parade To Speak At LUTC Luncheon

Arthur H. Motley, publisher of Parade, the Sunday newspaper supplement, and president of Parade Publications, Inc., will be the speaker at the LUTC luncheon on Wednesday at the annual NALU convention in Philadelphia, Sept. 20-25.

Mr. Motley, in 1954, was named one of "America's Twelve Master Salesmen" and was elected to the Hall of Fame in Distribution. In 1957 he was chairman of the distribution organization of President Eisenhower's conference on technical and distribution research for the benefit of small business. He has also served a term as board chairman of National Sales Executives and during that time headed the first team of sales experts who went abroad to explain American selling methods to foreign business men.

Hartwig Moss II Is President

Hartwig Moss II has been elected president of Hartwig Moss agency, New Orleans, succeeding his father, W. Irving Moss Sr., who becomes board chairman. The new president's grandfather founded the agency in 1871.

Provident Life has been licensed in Utah.

ACTUARIES

Lenard E. Goodfarb, F.S.A.

Consulting Actuary

Market Street National Bank Building
Philadelphia 3, Pa. Rittenhouse 6-7014

Stocks

By H. W. Cornelius of Bacon, Whipple & Co.
135 S. La Salle St., Chicago, August 4, 1959

| | Bid | Asked |
|--------------------------|--------|--------|
| Aetna Life | 250 | 255 |
| Beneficial Standard | 16 1/2 | 17 1/2 |
| Business Men's Assurance | 40 | 42 |
| Cal.-Western States | 116 | 120 |
| Commonwealth Life | 27 | 28 |
| Connecticut General | 387 | 392 |
| Continental Assurance | 158 | 162 |
| Franklin Life | 81 1/2 | 83 |
| Great Southern Life | 84 | 86 |
| Gulf Life | 23 1/2 | 24 1/2 |
| Jefferson Standard | 92 | 94 |
| Kansas City Life | 1475 | 1500 |
| Liberty National Life | 54 | 56 |
| Life & Casualty | 23 3/4 | 24 3/4 |
| Life of Virginia | 54 | 55 1/2 |
| Lincoln National Life | 237 | 243 |
| National L.&A. | 110 | 112 |
| North American, Ill. | 16 1/2 | 17 1/2 |
| Nw. National Life | 96 | 100 |
| Ohio State Life | 275 | 300 |
| Old Line Life | 63 | 66 |
| Republic National Life | 75 | 78 |
| Southland Life | 97 | 102 |
| Southwestern Life | 141 | 146 |
| Travelers | 96 | 98 |
| United, Ill. | 49 | 51 |
| U.S. Life | 48 | 50 |
| Washington National | 61 | 65 |
| Wisconsin National Life | 46 1/2 | 48 1/2 |

Dean A. Northey, Los Angeles, is Midland Mutual Life's man of the month for his performance during June.

All American Life & Casualty has been licensed in Oregon.

Insurers Spend More On TV Network Time

In the first five months of 1959, insurance company gross time expenditures on network TV programs totaled \$4,508,297, an increase of 48% over the \$3,052,084 spent a year ago in the same period, according to Television Bureau of Advertising. Spot TV gross time expenditures for the first quarter of 1959 were \$768,000, an increase of 22% over the \$632,000 spent in the January-March period of 1958.

Newcomers to the network TV list this year included Equitable Society, Lincoln National Life, and Travelers. Other companies using network shows in 1959 include Allstate, Prudential, Kemper group, State Farm Mutual and Mutual Benefit H.&A.

Leading spot advertisers include Associated Hospital Service and United Medical Service, National Assn. of Insurance Agents, Equitable Society, Mutual of Omaha, State Farm Mutual, and National Life & Accident.

In 1956, five companies' gross time expenditures were \$4,924,495 in network TV; in 1958 seven companies spent \$6,945,000, up 41%. In 1956 on spot television, 67 insurers spent \$1,748,960; in 1958, 78 companies invested \$2,773,000, up 59%.

Leading insurer in network TV gross time billings in the first five months of 1959 was Prudential with \$1,607,586. Also topping \$1 million was Mutual of Omaha with \$1,076,220.

ACTUARIES

BOWLES, ANDREWS & TOWNE, Inc.
ACTUARIES
MANAGEMENT CONSULTANTS
LIFE—FIRE—CASUALTY
EMPLOYEE BENEFIT PLANS
RICHMOND ATLANTA NEW YORK
PORTLAND DALLAS MIAMI

Haight, Davis & Haight, Inc.
Consulting Actuaries
Insurance—Pensions
2801 North Meridian St. 5002 Dodge St.
Indianapolis 8, Ind. Omaha 32, Neb.

DONALD F. CAMPBELL

Consulting Actuary
Suite 2011

139 N. Clark St. Chicago 2, Ill.

CHASE CONOVER & CO.

Consulting Actuaries
and Insurance Accountants

Telephone WAbash 2-3575
332 S. Michigan Ave. Chicago 4, Ill.

COATES, HERFURTH & ENGLAND

Consulting Actuaries

San Francisco Denver Los Angeles

WILLIAM C. CONLEY

Consulting Actuary

Lansing and Detroit, Michigan
811 American Bank Bldg., Lansing 68, Mich.

E. P. HIGGINS & CO.

(Frank M. Speakman Associates)

Consulting Actuaries Bourse Building
Accountants Phila. 6, Penna.

NELSON and WARREN

Consulting Actuaries
Pension Consultants

ST. LOUIS KANSAS CITY

THE HOWARD E. Nylhart COMPANY
INCORPORATED
Consulting Actuaries
2859 N. MERIDIAN ST. • INDIANAPOLIS 7, IND.

RINTYE, STRIBLING & ASSOCIATES

Consulting Actuaries—Insurance Accountants
Pension Consultants
William-Oliver Bldg. Atlanta
Jackson 3-7771

Irwin Solomon & Co.

Consulting Actuaries
Management Consultants
342 Madison Avenue
New York 17, N. Y.

Conventions

Aug. 31-Sept. 2, International Federation of Commercial Travelers Insurance Organizations, annual, Broadmoor Hotel, Colorado Springs.

Sept. 1-4, National Insurance Assn., annual, Sherman Hotel, Chicago.

Sept. 11-12, Southwest Management Conference, Statler Hotel, Dallas.

Sept. 20-23, National Fraternal Congress of America, annual Sheraton Hotel, Philadelphia.

Sept. 20-25, National Assn. of Life Underwriters, annual, Bellevue-Stratford Hotel, Philadelphia.

Sept. 21, Fraternal Actuarial Assn., annual, Sheraton Hotel, Philadelphia.

Sept. 27-30, International Claim Assn., annual, Americana Hotel, Miami Beach.

Sept. 28-30, Life Office Management Assn., annual, Edgewater Beach Hotel, Chicago.

Oct. 12-13, Conference of Actuaries in Public Practice, annual, Drake Hotel, Chicago.

Oct. 12-16, American Life Convention, annual, Edgewater Beach Hotel, Chicago.

Oct. 26-28, Life Advertisers Assn., annual, Drake Hotel, Chicago.

Oct. 28-30, Institute of Home Office Underwriters, annual, Statler Hotel, St. Louis.

Oct. 29-31, Mid-West Management Conference, annual, French Lick Springs Hotel, French Lick, Ind.

Nov. 9-11, Society of Actuaries, annual, Greenbrier, White Sulphur Springs, W. Va.

Nov. 9-13, LIAMA, annual, Queen Elizabeth Hotel, Montreal.

Nov. 12-13, New York Life Underwriters Assn., fall delegate meeting, Sheraton Inn, Binghamton.

Nov. 16-18, Health Insurance Assn., individual insurance forum, Biltmore Hotel, New York.

Dec. 8, Institute of Life Insurance, annual, Waldorf-Astoria Hotel, New York.

Dec. 9-10, Life Insurance Assn. of America, annual, Waldorf-Astoria, New York.

Dec. 27-30, American Assn. of University Teachers of Insurance, annual, Washington Hotel, Washington, D. C.

1960

Texas Tri-City Sales Congress, Feb. 25, Dallas; Feb. 28, San Antonio; Feb. 27, Houston.

May 19-23, MDRT annual, Hawaiian Village Hotel, Waikiki Beach, Hawaii.

now—in San Francisco
at 400 Montgomery St.

Our New Western Office... to Better Serve Life Companies in the 13 Western States

North American Re's "In Person" service to life insurance companies takes on new coast-to-coast meaning with the opening of our western regional office. Now, for the first time, one of our experienced executives is located in San Francisco to assist in solving the many reinsurance problems of life companies in the great West.

We are pleased to welcome Assistant Vice President Herbert B. Marsh to his new post as manager of this office. Herb is a westerner with a thorough knowledge of the operating problems of western life companies, and brings to his new position a strong background in sales and administration. His availability in San Francisco spells more frequent, helpful contact with our clients... assures greater continuity and faster, more economical handling over the entire range of reinsurance services provided by North American Re to its hundreds of client companies the nation over.

Our thanks to the growing number of life company clients who have made these expanded services and this new western facility possible. We cordially invite you to visit Mr. Marsh at our new location, 400 Montgomery Street, or call him at EXbrook 7-5294.



NORTH AMERICAN REASSURANCE COMPANY

161 East 42nd Street, New York 17, New York

Regional Offices

230 North Michigan Ave., Chicago 1, Ill.

1509 Main Street, Dallas 1, Texas

400 Montgomery St., San Francisco 4, Calif.

Reinsurance Exclusively

LIFE • ACCIDENT & SICKNESS • GROUP

3rd
Mu
Se
WAS
compan
result o
curities
ficials i
variable
corporat
that the
four-con
the Sup
that va
subject
ber wa
would
irably
that, it
variable
the char
might
able an
der the
income
As th
the SE
Washing
of requ
Big
Insur
Enter
Direct
& Guar
casualty
informat
wholly
to stock
ago that
eration.
Beaus
ten prem
and the
ership o
Charles
more ca
growth a
rectors r
ers a ch
a 2-for-1
Stockh
meeting
which w
\$10 par
\$5 par. A
crease au
lion shar
shares of
that it in
dividend
The pr
authorize
stock div
20% have
Two G
Genera
both of
General
company.
will have
lion, surp
than \$20
eral Assu
states.